

Thursday August 20 1998

Abkhazia US\$ 2.50
Albania US\$ 2.50
Andorra FF 16
Austria S 13.76
Belarus BYR 193.75
Belgium BF 66.36
Bolivia BO 9.80
Bosnia and Herzegovina KM 1.96
Brazil R\$ 1.25
Canada C\$ 1.50
Croatia HR 12.50
Czechia CZ 1.50
Denmark D 10.36
Ecuador US\$ 1.00
Finland FM 16
France FF 16
Germany DM 3.50
Greece D 200
Hong Kong HK\$ 25
Hungary F 200
Iceland IS 130
Ireland P 10
Italy L 1,360
Japan Y 100
Korea W 1,000
Latvia L 1,000
Lithuania L 1,000
Luxembourg F 40
Malta M 200
Mauritius M 20
Mexico M 20
Morocco M 20
Netherlands G 1.40
New Zealand NZ\$ 2.00
Norway N 10
Oman O 1.00
Pakistan PK 100
Poland Z 200
Portugal P 200
Romania R 100
Russia R 100
Serbia D 100
Singapore S 1.00
Slovakia S 1.00
Slovenia S 1.00
South Africa R 10
Spain P 166.64
Sweden S 10
Switzerland F 20
Taiwan NT\$ 20
Thailand B 50
Turkey L 1.80
USA US\$ 1.00

The Guardian

Printed in London, Manchester, Frankfurt and Roubaix

INTERNATIONAL

NEWSPAPER OF THE YEAR

Susan Faludi on:

What women really think about Clinton

G2 with European Weather



Filling up with petrol

Consumer with a clear conscience?

G2 pages 10-11



Online

View from the code face

G2 pages 12-13

Irish in terror crackdown

'Draconian' move targets Real IRA

John Mullan
Ireland Correspondent

THE Irish government yesterday announced the toughest crackdown on republican terrorism in the country's history as 18

more victims of the Omagh massacre were buried. The indications last night were that the leaders of the Real IRA would be arrested as soon as the proposals become law. Parliament is to be recalled to rush through the legislation early next month. The move came as David Trimble, Northern Ireland's

First Minister, in an unprecedented move, attended the funeral of three young Catholic victims of the Omagh bombing in Buncrana, Co Donegal. Gerry Adams, the Sinn Féin president, was also there. James Barker, aged 12, Sean McLoughlin, 12, and eight-year-old Oran Doherty died on a day outing to the County Tyrone town. Senanay Heggarty, Bishop of Derry, welcomed Mr Trimble and Mr Adams to St Mary's Catholic Church in the seaside resort just across the Irish border. He told them that people were relying on

them to build on the gains already made after the Good Friday agreement. The Real IRA was becoming yet more isolated, despite its late night announcement on Tuesday that it was suspending its military operations. It was sending a confused message, for an earlier statement indicated that its war against the British would continue, and there was widespread scepticism about the move. Sinn Féin is thought to have played a key role in forcing the about-turn. Mitchell McLaughlin, its chairman, said there had been contacts with the Real IRA through in-

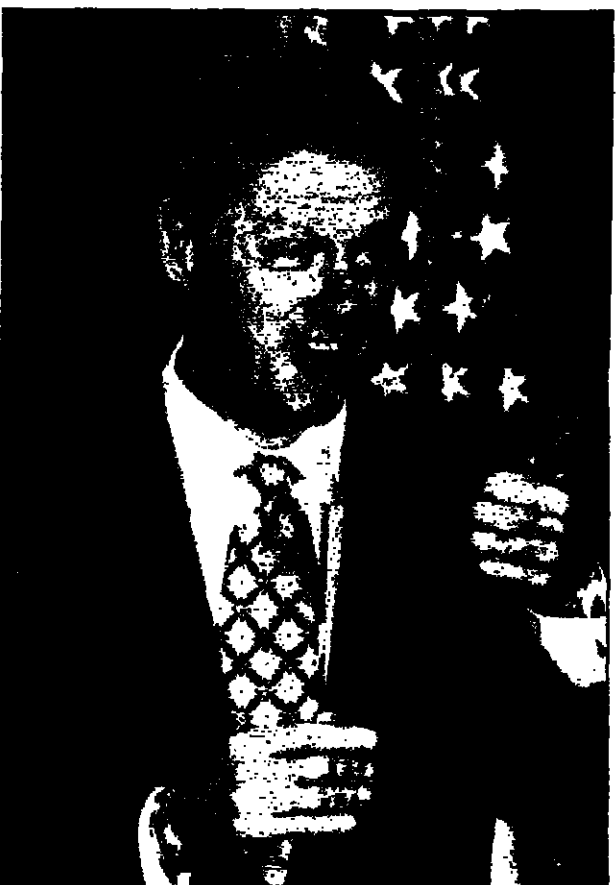
termediaries since the worst atrocity in 30 years of The Troubles. Bertie Ahern, the Irish prime minister, aware that the Real IRA's leadership is based in the Republic, revealed a package of what he called draconian measures against renegade republican terrorists. The announcement came after an emergency cabinet meeting. The measures include restrictions on the right to silence. New offences will also be created: directing an unlawful organisation, withholding information and training in the use of firearms

or explosives. There will be a diminution in the proof required to show a suspect is a member of a proscribed organisation. Civil liberties campaigners said that the measures amounted to effective internment. Mr Ahern said: "These measures are extremely draconian but I am not prepared to take a chance with anything else. These measures have to be implemented quickly." The clampdown was warmly welcomed by Mo Mowlam, Northern Ireland Secretary, who is also consid-

ering ways of more easily securing terrorist convictions. She said: "This means that we now have the strongest ever anti-terrorist measures across the whole of the island." Bernadette Sands-McKevitt, vice-chair of the 32-County Sovereignty Movement, widely believed to be the political wing of the Real IRA, yesterday broke her silence. She spoke to Live Line, an RTE radio programme, on the telephone from the shop she runs with her partner, Michael McKevitt. Ms Sands-McKevitt, sister of Bobby Sands, first of the 10 republican hunger strikers to

die in the Maze Prison in 1981, said of the bombing: "It is condemned. We will not condone it. The loss of innocent lives cannot be justified." The couple telephoned Father Desmond Campbell, aged 80, their parish priest on Tuesday, to tell them they had nothing to do with the bombing. Ms Sands-McKevitt had broken down in tears and Mr McKevitt said he had "no hand, not or party" in the atrocity. "Land of shadow and appalling pain", page 2; Leader comment, page 9

Read my tie: wherever I go, whoever I'm with, I'm thinking of you



August 6: The day Monica Lewinsky goes before a grand jury, Mr Clinton sports the Zegna tie she reportedly gave him



July 9: With prosecutors working to persuade Ms Lewinsky to testify about her relationship with the president, Mr Clinton wears the tie on a trip to Atlanta



June 24: The tie's owner heads for China, a visit advisers hoped would distract attention from the growing scandal



Austin

CALL him Mr Meticulous or call him a man who just can't see the wood for the trees, but Kenneth Starr, the special prosecutor investigating the president, certainly leaves no stone unturned in his search for further proof of Bill Clinton's misdeeds. In a new revelation that illustrates both Mr Starr's bottomless capacity for suspicion and Mr Clinton's penchant for flirting with danger, it emerged yesterday that during Monday's fateful inquisition in the

White House Map Room by the prosecution team, the United States president was quizzed about the significance of his choice of ties. Why, they asked, did he choose to wear a gold and blue designer tie when he made a televised speech in the White House Rose Garden on August 6 about America's handgun law? The tie, made by Ermengildo Zegna, is said to be one of six ties given to the president by Monica Lewinsky. Mr Starr is looking into whether the president committed perjury in trying to cover up his affair with her. Like its owner, the tie itself was even subpoenaed

by Mr Starr earlier this year, but Mr Clinton failed to hand it over. Then it popped up at the Rose Garden speech — on the same day that Ms Lewinsky gave her long awaited grand jury testimony about what she says was an 18-month affair. She is said to have told a friend that she gave the tie to Mr Clinton saying, "When I see you wearing this tie I'll know that I am close to your heart". The prosecutors therefore wanted to know if Mr Clinton was trying to send Ms Lewinsky a private signal in every year before 1997. Although she was already well ensconced in the

grand jury room by the time he spoke on television. Mr Clinton told his interrogators, in what is being described in Washington as "a rare light moment in a grueling session" that he was not trying to communicate anything — to anybody. Mr Starr's staff are not so sure, noting other sightings of the Zegna tie. Mr Clinton wore it on June 24, when he left on his state visit to China, and again on July 4 Independence Day, when he returned from China, and yet again a few days later during a visit to Atlanta. All of which raises the question of whether there

was any similar cryptic significance to the blue patterned tie that Mr Clinton wore during Monday night's broadcast when he admitted "inappropriate" relations with the former intern. Yesterday, the internet Drudge Report claimed that it was the first tie Ms Lewinsky ever gave him, back in 1995. If that is so, when Ms Lewinsky gives further grand jury testimony today, Mr Starr is certain to ask her more knotty questions.

Clinton scandal, page 7; Deon Aitkenhead, page 8; Women, G2 pages 4,5

A level pass rate rises again — but only by 0.2 pc

John Carvel
Education Editor

THE examination boards last night announced the smallest improvement for more than a decade in the A level pass rate. But university authorities forecast that better results were the result of lowering of the exam standard instead of more effective teaching and learning. David Blunkett, the Education and Employment Secretary, said he was "confident that these results reflect real achievement" and Ron McLorn, convener of the joint forum of examiners, said the

lowest rise for 15 years, since the removal of a ceiling on the pass rate stopping more than 70 per cent of candidates getting the award. Ministers hoped the slackening in the pace of improvement would take the sting out of complaints from traditionalists that better results were the result of lowering of the exam standard instead of more effective teaching and learning. David Blunkett, the Education and Employment Secretary, said he was "confident that these results reflect real achievement" and Ron McLorn, convener of the joint forum of examiners, said the

exam was the most tightly regulated test of academic attainment in the world. But there were questions last night about the manner in which the examiners might have manipulated the statistics by comparing this year's provisional figures with last year's final revised results. Alan Smithers, head of the centre for education and employment research at Liverpool University, said the real increase in the pass rate was 0.7 per cent — the difference between last year's provisional results and today's figures. Usually the final figure is about 0.5 per cent higher after contested papers have

been reconsidered. "I suspect that the examining boards are doing this because they are tired of being accused of dumbing down". A spokeswoman for the boards denied any attempt to rig the figures. She conceded that the figures issued 12 months ago compared provisional results for 1997 with provisional results in 1998. This year's figures were drawn up on the same basis as in every year before 1997. In spite of this wrangle, there was little doubt among university admissions officers that the results were good enough to ensure that their vacancies would be

filled by the start of term. Tony Higgins, chief executive of the Universities and Colleges Admissions Service, said: "Universities will have no more and no less difficulty than in previous years, and predictions of doom and gloom about the impact of tuition fees have not been realised." There are likely to be about 50,000 vacancies at universities and colleges of higher education to be filled by candidates whose results today are not good enough to take up conditional offers and those who have not yet started trying to negotiate a place. According to the exam

board figures, 16.8 per cent of candidates passed with the top A grade, an increase of 0.5 per cent. There was a 0.1 per cent drop in the proportion of grade Bs, but a 0.3 per cent increase in grade Cs. Ruth Lea, of the Institute of Directors, said: "If these results do show grade inflation is coming to an end, that is good news. But one year's results cannot be relied upon." Prof Smithers said the A level pass rate was likely to reach a plateau at about 90 per cent.

Maths and science revival, page 4; Leader comment, page 9

Inside

Britain
Four disabled people sue when their sons got caught in a foot-pedal trap at the Liverpool canal

World News
Zimbabwe's Robert Mugabe has pledged that nine African countries will offer military aid to the beleaguered Congolese president

Analysis
Has Norman Lamont's view that unemployment was a price worth paying for lower inflation returned to haunt Labour?

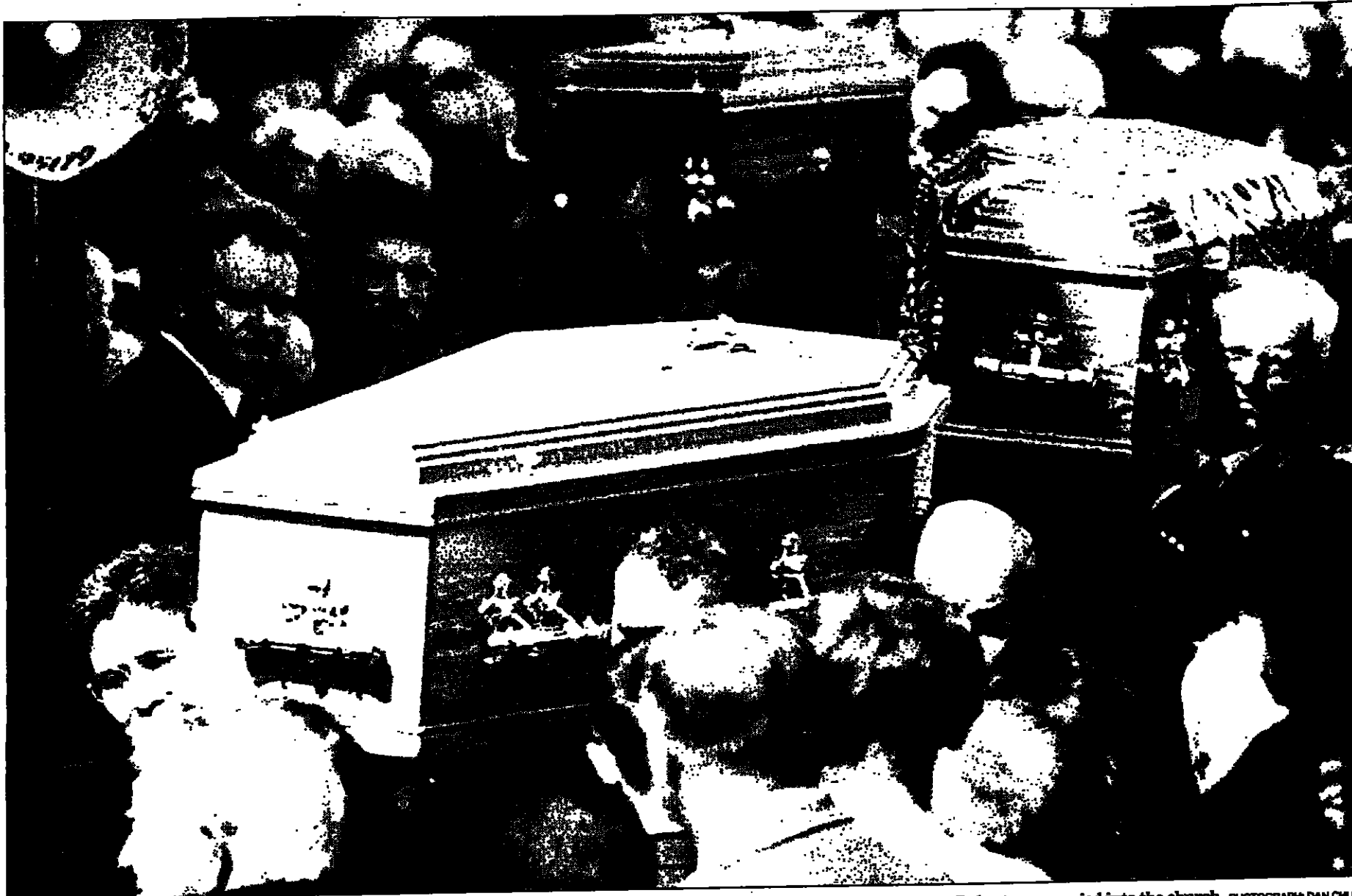
Finance
Boots, Britain's largest drugs retailer, completed the sale of its Do It All chain to the Focus Retail Group for £58m

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'It is a place of grief — a land of shadow and appalling pain'



Sinn Féin leaders Martin McGuinness and Gerry Adams (left) look on as the coffins of Sean McLoughlin, James Barker and Oran Doherty are carried into the church. PHOTOGRAPH BY DAN CHANEY

A children's choir sang, onlookers broke down and the gardai saluted. **Rory Carroll** on another day of mourning for young bomb victims

A TOWN of 8,000 people surrounded her in the drizzle of falling rain as she stepped out of the car. Donna Maria Barker only wanted to touch the coffin containing her 12-year-old son, James. Her palm slid backwards and forwards until a pall-bearer gently prised it away, allowing the coffin to be carried inside St Mary's Church, Buncrana, Co Donegal. Onlookers broke down as it was followed by the coffins of Oran Doherty, aged eight, and Sean McLoughlin, 12. A children's choir sang Here I Am

Lord. A guard of honour was formed by dozens of classmates from Scoil Iosagain. Tears and tiredness from the previous night's candle-lit vigil, to receive the convoy returning from Omagh, had left many red-eyed. Children too young to write their names tried to sign books of condolence. Bewildered tourists at the seaside resort followed suit. A neighbour of the McLoughlins and Dohertys, four doors apart at Knockalla Drive, covered her eyes as the cortege left for the church. The walls were too much.

Spanish and Irish flags hung at half mast. Speakers set up to broadcast the Requiem mass to the crowd outside relayed sobs as the coffins were carried inside the church, built 151 years ago by famine victims. Sinn Féin's Gerry Adams and Martin McGuinness, who was married there, followed. Inside were Mary McAleese, Ireland's president, the British and Irish ambassadors, Dublin government ministers and Seamus Mallon, Northern Ireland's Deputy First Minister. There was also David Trimble, First Minister and Ulster Unionist leader, who had chosen to come here instead of attending one of the day's 13 funerals in the North. A political journey of a thousand miles, the goodwill gesture was warmly welcomed by Seamus Hegarty, the Bishop

of Derry, who denounced those who conceived, built, and transported the bomb. "I ask them to repent, to resolve firmly, to give up their immoral trade in destruction and death — not temporarily or conditionally but permanently, and to seek God's forgiveness for the atrocity that they have done. I pray and ask you to pray for their conversion to the path of Christ." The congregation, almost 100 per cent Catholic, applauded his welcome to Mr Trimble. Shane Bradley, Buncrana parish priest and originally from Omagh, said Buncrana had turned into a strange and alien place. "It is a place of indescribable grief — a land of shadow and appalling pain, for which there are no words. It is an eerie, eerie place — lonely,

desolate and full of inconsolable torment. It is a place no one, absolutely no one, should ever have to visit. "And we got here against our will as a result of a terrifying evil act, as people who seem to have such a distorted grip on reality that they thought they could further their cause by the planting of a bomb. "Is this our saddest moment, our darkest hour? If it is, then will it herald a new dawn and a new light? I hope and pray so." A Spanish prayer was read in memory of the two other victims who did not return from the day trip to Omagh, Fernando Blasco, 12, and Rocio Abad Ramon, 23. Sunshine replaced drizzle when the coffins emerged into the graveyard. Oran's beloved Celtic football club was represented by coaching staff and

and by Danish international defender, Marc Kieper. Oran was dressed in a Celtic shirt, his coffin draped in its flag. Gardai saluted the procession as it wound its way past headstones. Relatives gripped each other so tight the knuckles shone. Three holes garlanded with flowers awaited them at the top of the graveyard. Yellow and green mountains rose gently on all sides. Incense was sprinkled. Relatives dropped red roses as the coffins were lowered. It became too much. A low keening swelled and was picked up by microphones. The crowd listened aghast at what sounded like animals whimpering. Crying children pressed their faces into the priests' purple and white robes. Helpless, Father Bradley blanched. "Dear, dear," he said.

Freel and Bryan White, of Omagh, aged 80 and 85 at Greenan Presbyterian Church. Father and son, they were taken to the Old Drumagh burying ground following the service. First Minister David Trimble and fellow Ulster Unionists Ken Maginnis and Willie Thompson were among the mourners. Fred was an Ulster Unionist party member in Omagh whose death Mr Thompson said he felt personally. Joanne Marlowe, 17, of Eskra, near Omagh, at St Patrick's Church. An A-level student awaiting her results, she had also been doing work experience at Tyrone County Hospital. Kathleen Gallagher, 21, of Omagh, at St Mary's Church. A mechanic who ran a car repair firm with his father, he died shopping for new working clothes and jeans. John McKeever, 80, of Moyne, near Omagh, at the Methodist Church. Philomena Skelton, 49, of Drumquin, at St Patrick's Church. A mother-of-four, she only visits Omagh twice a year. On Saturday she was in town with her husband and three daughters in primary school uniforms.

Real IRA pushed beyond the margins

John Mullin
Ireland Correspondent

THE Real IRA was yesterday an organisation in disarray, squeezed on all fronts and unsure how to react to the consequences of the Omagh bombing. Bertie Ahern, the Irish Prime Minister, announced draconian measures which will lead to the arrest of the Real IRA's leading players early next month. Sinn Féin said it had been in contact with the group, through intermediaries, and hinted it should win some credit for persuading the Real

IRA to announce its suspension of military operations. And in Dundalk, just inside the Irish Republic, where there has long been tacit acceptance of the IRA, the mood was swinging firmly against the 32-County Sovereignty Movement, the Real IRA's political wing. It is based in the Co Louth town. The conflicting messages which the Real IRA sent out on Tuesday underlined the confusion. There were 13 hours between the calls, received at the Dublin offices of the Irish News, Northern Ireland's nationalist newspaper. The Real IRA's first, a confession to mass murder in

Omagh, struck a defiant note. It was received at 10.30am on Tuesday, and spoke of the on-going war against the British. At 11.35pm, a caller using the same codeword rang back, this time on Dublin correspondent Michael O'Toole's mobile phone. The Real IRA, was after all suspending its military operations, though it stopped short of announcing a ceasefire. The second statement read: "As a result of the Omagh tragedy and also in response to the appeals of Bertie Ahern and others, we are embarking on a process of consultation on our future direction. In the meantime, all military operations have been suspended

from midnight." But it seems Sinn Féin was exerting influence behind the scenes. Michael McLoughlin, chairman, said yesterday there had been discussions. The Real IRA's leaders will have been shocked at Sinn Féin's willingness to finger-point. It looks like the end of the road for violent republicanism, with Sinn Féin approaching the Irish National Liberation Army and the Continuity Army to persuade them to give up violence. The Real IRA, formed last year in opposition to Sinn Féin's participation in the Stormont talks, has maybe 30 top veterans involved. The others are believed to be inexperienced idealists, the vast majority now expected to recoil from the outfit. The isolation was acute yesterday in Dundalk. Michael McKerritt and his common-law wife, Bernadette Sands-McKerritt, leading lights in the 32-County Sovereignty movement, believed to be the political wing of the Real IRA, were viewed as pariahs. Brendan McGahon, Fine Gael TD, said: "There are undesirable elements living in this town over the last 30 years. But this crime has sickened the sneaking regard these people have enjoyed. They have sickened even IRA supporters." Protesters were gathering

last night in Blackrock, a seaside village three miles south of Dundalk. The McKerritts have lived there for eight years, and people were threatening to march on their semi-detached home in a middle-class cul-de-sac. Executives from the company which runs the Long Walk, the five-year-old shopping mall where the couple run the Print Junction, arrived from London to investigate ways of booting them out. Ms Sands-McKerritt, 39, in a telephone interview on Joe Duffy's radio programme on RTE, the Irish state broadcaster, said of the bombing: "We will not condone it."

formation or failing to disclose information likely to be of material assistance in preventing an act of terrorism or in securing the apprehension of a terrorist" is an offence punishable by five years' imprisonment. Civil liberties lawyers have attacked this clause on the grounds that it can appear to require a defendant to prove his or her innocence rather than the Crown proving guilt. Directing an unlawful organisation: Under the new measures, it would be easier to prove membership (see rights to silence above) of banned organisations which has sometimes been a problem for the authorities in this country. This measure could be directed at individuals who admit membership of political groups who deny links with associated paramilitary groups. Possessing items for purposes connected with firearms and explosives: This is similar to the sections of the PTA and Criminal Justice and Public Order Act here, which makes it an offence to

be in possession of "articles for suspected terrorist purposes" and also to "unlawfully collect information which might be useful to terrorists." Existing criminal laws in the Irish republic already allow confiscation of property and land used in the commission of crime. Yesterday Mr Ahern pointed out that this law can be used against people suspected of using land or property for terrorist-related activities. This could be interpreted to mean anything from holding meetings to bomb-making. Yesterday the Northern Ireland Secretary, Mo Mowlam, said that the changes in the Irish law would now be examined and possibly adopted in the UK. "It is at present difficult to secure convictions for the offence of membership of a proscribed organisation, such as the Real IRA which has admitted to Saturday's bombing. I am therefore considering changes similar to those which the Irish government have announced to make it easier to prove membership."



Bertie Ahern (centre), with his deputy Mary Harney and justice minister John O'Donoghue, announces the proposals

Dublin's draconian measures

Duncan Campbell on plans that would make Irish law tougher than British

THE new measures announced by the Irish prime minister, Bertie Ahern, yesterday would make the Irish laws on terrorism more stringent in some areas than those currently operating in this country. What Mr Ahern called a "draconian" package of security measures will be debated in the Dail in emergency session in two weeks' time. The measures will add extra powers to those already incorporated in the Offences Against the State Acts of 1939 and 1965. The Irish Republic already has the power of internment, which was removed from the UK statute book last year, having been introduced in 1973. The main changes being proposed are:

Corroborate a senior officer's opinion that the suspect is a member of an unlawful organisation. This is a step further than the laws on silence in the UK, where, since the Criminal Justice and Public Order Act of 1994, it has been possible for guilt to be inferred from a defendant's refusal to answer questions at the time of arrest. Detention: Currently suspects can be held for 48 hours. This will be increased to 96 hours. Under the Prevention of Terrorism Act in this country, the police can detain a terrorist suspect for 48 hours and then a further five days on the authority of the Home Secretary. Withholding information: It will become an offence to withhold information in connection with terrorist acts or plans. This is similar to the section of the PTA here, under which "withholding in-

formation or failing to disclose information likely to be of material assistance in preventing an act of terrorism or in securing the apprehension of a terrorist" is an offence punishable by five years' imprisonment. Civil liberties lawyers have attacked this clause on the grounds that it can appear to require a defendant to prove his or her innocence rather than the Crown proving guilt. Directing an unlawful organisation: Under the new measures, it would be easier to prove membership (see rights to silence above) of banned organisations which has sometimes been a problem for the authorities in this country. This measure could be directed at individuals who admit membership of political groups who deny links with associated paramilitary groups. Possessing items for purposes connected with firearms and explosives: This is similar to the sections of the PTA and Criminal Justice and Public Order Act here, which makes it an offence to

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Yesterday's other funerals



Brenda Logue, 17, of Loughmacrory, Co Tyrone, at St Mary's Church. The teenage, a talented footballer, had been shopping with her mother and grandmother. She stepped outside the shop to see what the commotion was at the time of the blast.

Brenda Barlow, 21 months, of Donaghadee, Co Tyrone, at St Mary's Church, Aughrack. Her mother, Tracy, who had been shopping for shoes for Brenda to wear as a flower girl at her brother's wedding this Saturday, was critically injured in the bombing. Dr Edward Daly, retired bishop of Derry who helped the wounded and dying in the chaos of Bloody Sunday in 1972, said at the service that the murder was "evil of the most horrifying and obscene nature". SDLP leader John Hume and Mary Wallace, representing Irish prime minister Bertie Ahern, joined hundreds of people from the scattered community.

Mary Grimes, 65, the oldest victim, of Beragh, near Omagh, at her Catholic parish church. Her daughter Ann Monaghan and granddaughter Maura were also killed. The leader of the Catholic Church in Ireland, Archbishop Sean Brady, urged everyone to work together to ensure a similar tragedy never happened again. "We owe it to the memory of those who have died to make sure that this does not happen, and to do all we can to guarantee that they have not died in vain," he said.

Wida Short, 58, from Beragh, at Seeshore Presbyterian church. A grandmother and mother of three. She died with colleagues at Omagh's Watkinson's clothing store.

Bonnie Conway, 18, from Carrickmore, near Omagh. He had recently left Omagh Technical College and was about to enrol on an engineering course.

Lorraine Wilson, 15, of Omagh, at Cappagh Parish Church, a Church of Ireland chapel. She had been working as a volunteer in the town's Oxfam shop at the time of the blast. Dr James McSheehy, Bishop of Derry and Rathfriland, said that the teenager, who he remembered confirming, had been an example to others in the way that she had given her time so freely for charity. He called on her friends and the young people in Northern Ireland to dedicate their lives to others as she did and strive for peace. "Work with people from different backgrounds, build up respect to those who have different religions and different politics and cultures," he said.

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مكتبة من الامم

Despite world embargo against Tripoli, the Foreign Office saw nothing wrong in secret negotiations on future £6 billion deal with Gadafy regime

David Gow and Richard Norton-Taylor report



Bae chairman Richard Evans with an Airbus – one of the aircraft said to be the subject of talks over a possible Libyan deal

Bae admits to Libya talks

B RITISH Aerospace, the country's biggest defence contractor, admitted yesterday that it held secret talks with an intermediary acting for Libya about the prospect of supplying aircraft and other equipment to Colonel Gadafy's regime.

Senior BAE executives are understood to have taken part in the discussions, despite the international trade embargo imposed on Libya by the United Nations after two Libyan intelligence agents were implicated in the 1988 Lockerbie bombing, in which 270 died on a Pan-Am jumbo jet over Scotland.

But BAE denies it intended to carry out any sales while sanctions were in force.

The conversations about a deal are reported to have included discreet meetings in Switzerland and in the Libyan capital, Tripoli. The British government made clear yesterday that it was aware of the contacts.

Reports that BAE has been engaged in secret negotiations for a possible £6 billion deal with Libya appeared in yesterday's Express newspaper. It said it had obtained documents claiming the company had received "encouragement" from the Government for a "master project"

including the supply of more than 30 Airbus aircraft and building of new airports.

One document, dated June 15 this year, alleges that Sir Richard Evans, the company's chairman, "had in the last few weeks a number of meetings on the subject with political leaders, including the top". BAE is also alleged to have discussed the possibility of supplying military aircraft to Libya.

Soar points

- Evolved from British pioneers such as de Havilland, Hawker, Sopwith and Vickers and fully privatised in 1985. Sold Rover Group to Germany's BMW in February 1994 to concentrate on defence and aerospace.
- Europe's largest and most profitable defence manufacturer. Global sales in 1997 of £8.55 billion (of which defence accounted for £6.4 billion) and pre-tax profits of £253 million.
- Under Sir Richard (Dick) Evans, now chairman, BAE is leading the government-sponsored drive to consolidate Europe's defence industry into one company, Euroco. Has 20 per cent of

In a short statement issued yesterday, the company said: "BAE Consultancy Services did respond to requests by an intermediary for the Libyans about the possibilities which might exist on the reconstruction of civil aviation in that country, if and when the embargo was lifted."

It added: "The nature of this response was about possible further talks rather than any detailed discussions. British Aerospace is fully aware that no business discussions are possible with Libya until the United Nations embargo is lifted."

BAE declined to respond to further questions.

The Foreign Office yesterday confirmed it had a meeting with BAE in April at the company's request, but denied it encouraged BAE to go ahead with any deal.

A spokesman said: "On the information available to us, BAE have not breached the sanctions", which contained no prohibition on talking about post-embargo trade.

According to documents obtained by the Express, the prospect of a deal after sanctions ended was first mooted at a meeting in a Geneva hotel in June last year between John Winton, managing director of British Aerospace Consultancy Services, and a middleman for the Libyans.

Mr Winton, who is alleged to have said the company had received "encouragement" from the Government, outlined plans for a "Libyan master project". It would involve French, German, and Italian partners, but BAE would be in the lead. The proposal was for the sale of 30 or more Airbus aircraft, the supply of spares, maintenance, training of pilots and mechanics, the modernisation of existing airports and construction of new ones, and a strategy to develop tourism. Payment would be in crude oil.

But the Toulouse-based Airbus consortium, in which BAE holds a 20 per cent stake, said it had played no part in any secret talks and respected the embargo with Libya.

Even so, shares in BAE, which had fallen sharply in recent days on fears of the profitability of its civil aerospace division, bounced back on news of the Libyan talks. They rose 16p to close at 421p, a rise of nearly 4 per cent.

On the military side, BAE needs to promote sales of the Tornado jet fighter's successor, Eurofighter, especially as low oil prices could reduce Saudi Arabia's defence purchases. Libya is seen in some quarters as a potential market. A company memo to the Libyans allegedly says: "BAE have already supplied to you material on their military programmes and will also wish to discuss this aspect

with you, probably by a separate mission."

The middleman was reported to have met Col Gadafy's cousin, Ahmed Gadafy al-Daim, later in Cairo.

After Mr Winton visited Tripoli in March this year, Peter McDonald, business director responsible for integrated programmes at BAE Systems and Services, is reported to have written to Captain Mohammed Ipsiem, chairman of Libyan Arab Airlines.

British Aerospace wishes to reconfirm its desire to support you in developing your civil aviation infrastructure as soon as political circumstances allow," he said.

Last night, John Maples, Tory defence spokesman, said he was extremely surprised by BAE's discussions and demanded clarifications from the Foreign Office — in particular about what he called the "horrifying" suggestion that the company had held out the prospect of military sales to Libya.

Russia is forced into climbdown over debts

Alex Brummer, Jill Treasurer and James Meek in Moscow

THE Russian government was yesterday forced to climb down from its declared moratorium on repaying its \$40 billion debts after Western bankers threatened to cut it off from global capital markets.

Excluding Russia from external finance would effectively bring the economic process in the country to grinding halt.

The authorities in Moscow were last night locked in talks with two of the biggest players in the international debt market, the New York bankers JP Morgan and Deutsche Bank, Germany's largest lender, which have demanded a change in the terms of the moratorium.

The most vocal European critic of Russia's actions, the investment bankers Credit Suisse First Boston, described the Russian government's original plan as a "gross violation" of pledges to protect foreign investors which would damage future prospects of raising new money.

In Washington, the Institute of International Finance, which represents 245 of the world's top financial institutions, protested that Russia had declared a "unilateral moratorium" which was against the interests of all the parties involved.

The group's managing director, Charles Dallara, said that Russia's actions were "highly regrettable" and that it had a duty to hold "immediate discussions with creditors". He said there could be no restoration of financial order in Russia until steps were taken to prevent capital outflows running at \$2.5 billion to \$3 billion a month.

In its precipitate declaration on Monday, the Russian government devalued the rouble and placed a 90-day moratorium on a portion of Russian banks' and companies' international loan payments. The declaration, if it is carried out, could mean heavy losses for Western banks from Frankfurt to New York.

In particular, Western bankers are furious that foreign holders of Russian bonds will get second-class treat-

ment under the plans proposed by the Russian central bank.

Yesterday, Russia's prime minister, Sergei Kiriyenko, compounded the bankers' worries when he argued that paying workers' wages must take priority over repaying the country's debt.

The urgent negotiations between the Russian authorities and JP Morgan and Deutsche Bank will take place in Moscow against a deadline of next Monday for a solution. Failure to patch up their differences will lead to a further collapse in the Russian markets and the possibility of long-term financial isolation for Moscow — which could make Boris Yeltsin's position as a reforming leader untenable.

The goal of the Russia government has been to swap high-yielding short-term debts for longer-term paper which puts less burden on its exchequer. The Russians have estimated that the move will save them up to \$17.1 billion this year alone.

Striking a patriotic stance yesterday, Mr Kiriyenko, in an attempt to fend off the circling sharks of Russia's political and business elite, spoke in detail for the first time about the reasons behind the decision to devalue the rouble and stage a partial debt default.

He admitted that the government had effectively declared itself bankrupt and was no longer capable of servicing its debts.

"Either we continue to service the state debt, taking up 'all our funds', not paying wages, not paying pensions, not paying subsidies, or we are obliged to take a very unpleasant, yet necessary decision," he said.

The IF emphasised that Russia's problems with Western banks would have been less severe had it come clean on its problems and sought to arrange a formal process for working out the country's debt difficulties, a process followed in Korea last year.

Financial experts said last night that there might be a way out of the impasse if the authorities came up with a pragmatic solution.

Pinch draws blood, page 6; City Notebook, page 12

ITV calls Vanessa's £2m bluff

Janine Gibson Media Correspondent

VANESSA Feltz has been unceremoniously dumped from her ITV daytime talk show after demanding a pay deal believed to be worth £2 million.

Ms Feltz is understood to have demanded the two-year deal from Anglia Television, producers of her show, Vanessa.

Well-placed sources claim that as a further sweetener she asked to present another 90-minute programme on ITV as part of a deal to tie her to her daily morning programme until 2001.

ITV felt enough was enough, and yesterday called her bluff. The surprise announcement from Anglia and its sister company, United Productions, said: "The producers of Vanessa today announced that they have rejected financial demands



Vanessa Feltz asked for more prime-time slots from the presenter of the show, Vanessa Feltz.

mands out of hand, but it became completely unrealistic."

Vanessa transferred successfully from three afternoons a week to every morning earlier this year in a blaze of publicity. Replacing The Time ... The Place, the daily debate show went head to head with BBC1's Kilroy and won around 1.8 million viewers a day.

The decision follows last month's furore when the Broadcasting Standards Commission described the TV professional as the modern day equivalent of "the stocks".

ITV's willingness to let Vanessa go may reflect an awareness that the network is pushing its luck with the controversial Jerry Springer Show running every lunchtime and Vanessa every morning.

Ms Feltz has had some tempestuous relationships with the producers of her shows. Last year, when she was presenter of Channel 4's Big

Breakfast, she admitted tipping a plate of baked beans over the head of the show's editor, after rumours that she was to be dropped from the programme.

Yesterday, ITV and Anglia were keeping quiet about future plans. The Vanessa show is at present on a summer break and was due to return in September, although that seems unlikely given yesterday's announcement.

Malcolm Allison, director of programmes at Anglia Television, implied that Ms Feltz was not irreplaceable, saying: "We are very excited about a number of options."

Ms Feltz is on holiday, but her solicitor, Graham Shear, contradicted ITV's claims. "This is not and never has been about money. The figure quoted has been vastly inflated."

He added: "This is entirely about Vanessa's career development."

From the egocentric to the erotic

Review

Andrew Clements

BBC Symphony Orchestra/Oliver Knussen Royal Albert Hall/Radio 3

BEGINNING a concert with Messiaen and ending it with Scriabin is a bit like starting a meal with some lavishly layered terrine and ending it with a creamy gateau: there's a real danger of acute indigestion afterwards.

But Oliver Knussen's programme last night was so artfully balanced and so perceptively presented that the richness of the ingredients never became a problem.

Quite the contrary, for though there might seem to be precious few connections be-

tween the rabidly egocentric Russian mystic and the French Roman Catholic, and the erotic charge that powers Scriabin's Poem of Ecstasy may be light years away from the devotional fervour that pervades Messiaen's L'Ascension, each composer was intent on expressing his own version of the inexpressible and willing to resort to every harmonic device in his vocabulary to do it, and the results are sometimes remarkably similar.

L'Ascension is more often heard these days in the later version that Messiaen made for organ; it has become a bit of a virility test for any church organist eager to show that his musical horizons can extend beyond Widor's Toccata. But the 1932 orchestral score shows much more clearly where Messiaen's music had come from and where in a few years time it would be heading, from the

gentle echoes of Debussy that Knussen found in the second movement, to the unbuttoned rhythmic energy of the third, which prefigures the explosions of the Turangalila Symphony, Messiaen's celebration of erotic love, 15 years later.

That is the kind of freshly intense intensity that Scriabin, for all his attempt to disguise his true purpose with philosophical baggage, was evoking; but once again it was the way in which Knussen placed the piece in its historical context that made it so special.

The quick adrenalin fix that comes with any first-rate performance of the Poem was certainly administered — superb playing from the BBC Symphony, with the principal trumpet relishing his spotlight role — but the pointing up of the connections with Rimsky Korsakov, and Stravinsky especially, made Scriabin seem

much less like a musical odd-ball and more like a composer who chose to lead the Russian tradition along a line of development all his own. To cleanse the palate between these main courses there were London premieres from two British composers. Sometime Voices by George Benjamin (a Messiaen pupil himself) is a setting for baritone (David Wilson-Johnson) and chorus (the BBC Singers) of Calliban's speech from The Tempest, conjuring up the twanging instruments of Prospero's island in a slightly short-winded way.

Robin Holloway's Hymn To Senses (conducted by Stephen Cleobury) is much less economical, setting poems by John Fuller, depicting each of the five senses in turn yet never really establishing its own raison d'être.

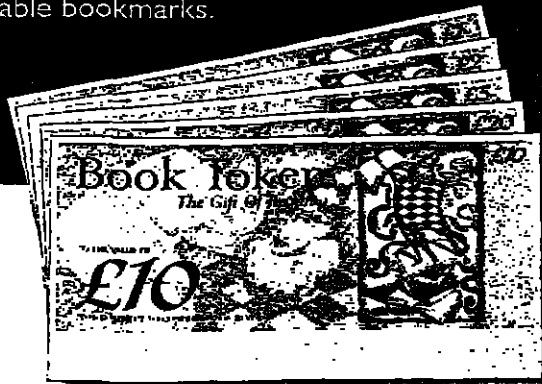
This review appeared in some editions yesterday.

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BOOK TOKENS THE GIFT OF READING

A level examiners welcome return to traditional subjects but teachers call for broader sixth form curriculum to reflect society's needs

Maths and science enjoy revival

A level results for England, Wales and N. Ireland

This table shows this year's provisional A level results for UK candidates. The provisional results may vary slightly from the final results. The table shows the number of entries in each subject, and the percentage of candidates who passed.

Subject	A	B	C	D	E	Fail	Number who passed
All Subjects	15.9	14.5	13.5	12.5	11.5	10.5	22,507
Biology	15.9	14.5	13.5	12.5	11.5	10.5	22,507
Business Studies	15.9	14.5	13.5	12.5	11.5	10.5	22,507
Chemistry	15.9	14.5	13.5	12.5	11.5	10.5	22,507
Classical Subjects	15.9	14.5	13.5	12.5	11.5	10.5	22,507
Communication Studies	15.9	14.5	13.5	12.5	11.5	10.5	22,507
Computing	15.9	14.5	13.5	12.5	11.5	10.5	22,507
Economics	15.9	14.5	13.5	12.5	11.5	10.5	22,507
English	15.9	14.5	13.5	12.5	11.5	10.5	22,507
Expressive Arts	15.9	14.5	13.5	12.5	11.5	10.5	22,507
French	15.9	14.5	13.5	12.5	11.5	10.5	22,507
General Studies	15.9	14.5	13.5	12.5	11.5	10.5	22,507
Geography	15.9	14.5	13.5	12.5	11.5	10.5	22,507
German	15.9	14.5	13.5	12.5	11.5	10.5	22,507
History	15.9	14.5	13.5	12.5	11.5	10.5	22,507
Home Economics	15.9	14.5	13.5	12.5	11.5	10.5	22,507
Law	15.9	14.5	13.5	12.5	11.5	10.5	22,507
Maths	15.9	14.5	13.5	12.5	11.5	10.5	22,507
Media/Film/TV Studies	15.9	14.5	13.5	12.5	11.5	10.5	22,507
Music	15.9	14.5	13.5	12.5	11.5	10.5	22,507
Other Modern Languages	15.9	14.5	13.5	12.5	11.5	10.5	22,507
Physics	15.9	14.5	13.5	12.5	11.5	10.5	22,507
Physical Studies	15.9	14.5	13.5	12.5	11.5	10.5	22,507
Psychology	15.9	14.5	13.5	12.5	11.5	10.5	22,507
Religious Studies	15.9	14.5	13.5	12.5	11.5	10.5	22,507
Science	15.9	14.5	13.5	12.5	11.5	10.5	22,507
Sociology	15.9	14.5	13.5	12.5	11.5	10.5	22,507
Spanish	15.9	14.5	13.5	12.5	11.5	10.5	22,507
Sport/PE Studies	15.9	14.5	13.5	12.5	11.5	10.5	22,507
Technology Subjects	15.9	14.5	13.5	12.5	11.5	10.5	22,507
Wales	15.9	14.5	13.5	12.5	11.5	10.5	22,507
All Other Subjects	15.9	14.5	13.5	12.5	11.5	10.5	22,507
Total	15.9	14.5	13.5	12.5	11.5	10.5	22,507

* These titles cover a range of related subjects. † Other Modern Languages include all languages except French, German, Italian, Spanish and Latin. ‡ Science includes all sciences except Biology, Chemistry and Physics.

John Corvel
Education Editor

THE exam boards yesterday welcomed a renewal of interest among sixth formers in taking maths and science at A level after years that students were being lured into softer subjects, leaving industry and the teaching profession short of recruits with the necessary intellectual skills.

But the A level results being distributed today to candidates at schools and colleges in England and Wales show a fall in numbers passing in English and foreign languages, reflecting a continuing switch towards newer subjects such as business studies, technology, computing and psychology.

Ron McLone, convenor of the examining boards' joint forum, said there was a 2.7 per cent increase in the number of A level papers taken this year. This was slightly below the 3.5 per cent increase in the population of 18-year-olds, and the difference may have been caused by more candidates switching to vocational qualifications.

He said the rise in numbers taking science subjects was particularly welcome, with entries for physics and biology up 3 per cent, maths up 2.4 per cent and chemistry up 1.8 per cent.

The Confederation of British Industry said: "We welcome the fact in the decline of people passing science-related subjects and we look forward to seeing grade improvements. We must continue to raise expectations of what individuals can achieve so that the UK workforce has sufficient skills to maintain international competitiveness."

But Alan Smithers, director of the centre for education and employment research at Liverpool University, said the growth in science entries was falling in line with rising numbers of 18-year-olds and could not be regarded as a signal that emphasis on the

subject in the national curriculum was having a dramatic effect.

According to statistics released by the joint forum, the most popular A level subject continued to be English. Although entries fell by 1 per cent, it was taken by 94,089 candidates, nearly a third of this year's total. There were 70,554 candidates for maths and 50,570 for general studies.

The fastest growing subjects were computing (up 22.2 per cent to 14,543), sports studies (up 17.5 per cent to 14,522), media/film/TV studies (up 17 per cent to 13,545).

Students taking modular courses were more likely to pass, but less likely to get an A. Modular exams helped candidates gauge how they were doing, but some might find it harder to make the top grades at first

and business studies (up 10.5 per cent to 37,008). There was a drop in numbers taking economics (down 10.1 per cent), French (8.7 per cent), sociology (7.4 per cent) and history (5.2 per cent).

Candidates were most likely to get an A grade in maths, German and other modern languages. They were least likely to get top marks in business studies, computing and sports studies.

The subjects with the highest failure rates were computing, law and sociology. The candidates least likely to fail were those taking art and design, Welsh and other modern languages.

Dr McLone said the traditional academic subjects remained popular because schools and colleges wanted to take advantage of their teaching strengths, but the growth of newer subjects such as computing reflected the changing needs of society at large.

David Hart, general secretary of the National Association of Head Teachers, said the figures showed there was an urgent need to change an "excessively narrow" sixth form curriculum. "The explosive growth of general studies demonstrates that schools are crying out for a broader curriculum," he said.

A further fall this year in numbers taking AS levels, covering a smaller syllabus and given half the points score of an A level — showed their failure to broaden sixth form education, he said. Candidates sat 68,885 AS level papers this year, with a pass rate of 89.6 per cent.

Peter Smith, general secretary of the Association of Teachers and Lecturers, warned that the popularity of traditional subjects waned after the candidates left school, when many opted for vocational courses at university. "If students do not pursue maths and English as degree subjects, will there be enough teachers in the future to implement the Government's numeracy and literacy strategies?" he asked.

George Turnbull, spokesman for the Assessment and Qualifications Alliance, largest of the examining boards, said half the A level candidates took modular courses on which they were tested periodically, but all candidates had to take a final exam. Marks for course work were usually limited to 20 per cent.

Students taking modular courses were more likely to pass, but less likely to get an A. Modular exams helped candidates gauge how they were doing, but some might find it harder to make the top grades at first. There was no difference in the rigour of modular exams, he said.

Butcher and officials censured over E. coli

James McKillop

BITAIN'S most serious food poisoning outbreak, which killed 21 elderly people and affected hundreds of others, may have been made worse by the dishonesty of the butcher involved and the incompetence of environmental health officers, a fatal accident inquiry reported yesterday.

Sheriff Principal Graham Cox found that butcher John Barr had concealed the full extent of his business from North Lanarkshire council officials, and that six lives might have been saved if he had been more honest about the supply of cold meats.

He criticised training and supervision of staff at Mr Barr's business in Wishaw, its failure to use proper temperature probes while cooking raw meat, the absence of cleaning schedules to reduce the risk of contamination, and failure to separate processes, knives and equipment for raw and cooked meat. Mr Barr had paid only lip service to officials.

The E. coli 0157 outbreak, which began in November 1996 through the infection of stew and gravy served at a church lunch for pensioners, raged for months and prompted a programme of improved hygiene from farmyard to food outlets after a separate investigation into E. coli poisoning headed by Hugh Pennington, professor of bacteriology at the University of Aberdeen.

The Government will examine the sheriff's findings to determine whether further



John Barr... 'paid only lip service to officials'

action is needed. His report, after a 37-day hearing this year in Motherwell, said the 21 had died after an "undignified and often painful illness".

Referring to the Pennington report recommendation that butchers who also cook should be registered, it said the Government might have to go further and ban such cooking unless it took place on premises separate from butchers' shops and with different staff and equipment.

Officials of North Lanarkshire council had shown a "total lack of initiative".

Mr Barr's "lack of frankness" and deception about the nature of his business and supplies to other shops and wholesalers before the outbreak had led officials to exempt him from registration and other rules for the supply of cooked meat. It was not possible to say the outbreak would have been avoided if Mr Barr had registered — but "it might have been".

The connection between the church lunch and Mr Barr's business had taken five days to establish, but extra hours could have been saved in stopping sales. Residents at a nursing home and another victim might not have died.

A criminal prosecution against Mr Barr was thrown out last year because of lack of corroborative evidence, but his company was later fined £2,250 for breaching food safety laws.

His lawyer said Mr Barr had no comment, but relatives of victim Alex Gardiner said through their lawyer: "As has been demonstrated here, no amount of legislation or regulation is of use unless it is implemented properly and acted upon by all parties whom it affects."

The council said measures taken in the past 18 months included extra training for food safety inspectors and courses for high risk businesses.

The Commons select committee on agriculture has criticised some environmental health officers across the country for "consistently failing" to enforce hygiene rules.

Richard North, a food safety specialist, said there should be a government inquiry into hygiene controls. "The system is falling... So many of these people — drawing I might add, quite large salaries for protecting the public — are not part of the solution, they are part of the problem."

Sarah Hall

ON the edge of Happpsburgh churchyard, on the desolate north-east coast of Norfolk, one tiny grave draws the eye.

Basking no tombstone, it breaks the seemingly unending expanse of sea and sky with its blaze of petunias and geraniums. A plastic model motorbike rests beneath the blooms. A wooden cross states: "Loving memories of Thomas Nigel Marshall."

A year ago tomorrow, Thomas, a polite and streetwise 12-year-old, set off on his bike from his 18th-century home in the village to see his friend in a nearby school. He never returned and — 24 hours later — a situation ini-



Thomas Marshall: body found dumped in a layby

tially dismissed by police as a case of a child playing hooky, had become a murder investigation.

At 1pm, on August 22, his reddish-pink bike was found dumped on a local rubbish tip, three miles from the village. Five hours later, his fully clothed body was found 30 miles in the opposite direction, at Roundham Heath in a secluded layby off the A11, frequented by trucks and at night those hunting sexual encounters.

One year on, Norfolk police are renewing their appeals for information as they struggle with a case which has prompted 14,000 lines of inquiry — but no enduring leads. DCI Bill Gresham, the officer in charge of the inquiry since January, insists he is optimistic a killer will be found and points to the 4,000 lines yet to be pursued.

In Happpsburgh, where the 700-strong community will pray for Thomas this Saturday, villagers are angered by the police's belief that the killer is among them and are battling against it. "Everyone is convinced it was an outsider," says Sue Stockton, aged 49, the landlady of the Hill House pub. "We know the local men who were arrested and then released and no-one in the village thinks it could be them. The police seem to think they know who did it but they can't prove it — and local opinion is they are clutching at straws."

With the first anniversary of their own child's death looming, the Marshalls have briefly left the village.

Gascoigne's friend died in night of alcohol poisoning

Nick Hopkins

AFRIEND of Paul Gascoigne died of acute alcohol poisoning after a night out with the footballer, an inquest heard yesterday.

David Cheek, aged 43, of Gateshead, Tyne and Wear, mixed five pints of lager with shots of grappa when he had dinner with Mr Gascoigne at an Italian restaurant in Middlesbrough last Thursday. With them was Mr Cheek's cousin, Jimmy "Five Bellies" Gardner, who is the footballer's best friend, and other mutual friends.

The party returned to a nearby hotel where Mr Gascoigne has been living since he was transferred from Glasgow Rangers FC to Middlesbrough FC. Mr Cheek went to bed early and was "asleep and snoring" fully clothed when Mr Gardner joined him in the room they were sharing.

But when Mr Gardner woke at 8am and told Mr Cheek to undress, he realised his cousin was seriously ill.

"I went to wake him but he was not breathing," Mr Gardner told the hearing at South Tyneside. "I then raised the alarm."

Paramedics could not revive Mr Cheek and he was pronounced dead at Queen Elizabeth hospital. A post mortem proved inconclusive, but samples taken for toxicology tests showed Mr Cheek had "very high levels of alcohol present in the blood".

Terence Carney, Gateshead and South Tyneside deputy coroner, told Mr Cheek's family: "David had at times been in the practice of taking a substantial amount of drink. People reach a level of tolerance where it loses its effect."

"Alcohol is a disinhibitor and being such... people at times take too much without realising they are doing so. It's my judgment that this was the tragic set of circumstances which surrounded David's death."

Mr Carney said Mr Cheek died of acute alcoholic intoxication and recorded a verdict of accidental death.



John and Carol Marshall yesterday when they appealed for information about the murder last August. PHOTOGRAPH: JASON RYE

Sausages R Us drives toy chain to summon legal reinforcements

David Ward

A MIGHTY toy chain has abridged the might of the law crashing down on a one-woman butcher's business, fearing that customers might mistake a Cumberland banger for a Teletubby.

Theresa Heward, owner of Sausages R Us in Wallasey, Merseyside, has been ordered by solicitors for the US-based retailer Toys 'R' Us to change the name of her shop, which opened three months ago.

The lawyers argued that the name might confuse customers, a view Mrs Heward called ludicrous. "We sell meat, not toys," she said. Her customers have renamed the offending company Sausages R Us.

"When I started the business, I just wanted a name that conveyed the idea that we make sausages," said Mrs Heward. "I came up with Sausages R Us, but it's not a big, colourful R and it's not back to front. And there aren't any apostrophes."

She marketed 20 kinds of

sausage made from pork, lamb and chicken. There were boomerang sausages, a favourite at local barbecues. Then the letter arrived on the mat of Sausages R Us. "I was quite shocked," said Mrs Heward. "The company didn't tell me how they had heard of me; they just said that it had come to light that I was trading under the name. They turned my world upside down."

The lawyers said: "It is highly likely that our clients' success is the reason why you have thought it worthwhile to use a mark which incorporates the R Us designation and which is otherwise confusingly similar to our clients' mark. Our clients are not prepared to let such a use go unopposed."

Mrs Heward sent a letter to the lawyers, "but they have not had the decency to reply to me," she said. "So I had to employ a solicitor to see if he could get a reply. But as yet we haven't heard anything."

Pop star banned for 111 mph dash after 'nightmare' call

Sarah Hall

THE lead singer of Jamiroquai raced at 111mph down a motorway after hearing that a woman he claimed had "made his life a nightmare" and threatened to set fire to his house was at his \$1.6 million home, a court heard yesterday.

Jay Kay, aged 28, frontman of the jazz-funk group, increased his speed in his \$200,000 Ferrari F40 after

being warned that the woman had returned to Hornsden Manor, his 72-acre estate near Princes Risborough in Buckinghamshire, despite being arrested there hours earlier.

Yesterday Kay was banned from driving for 42 days, and fined £540 with £35 costs.

Magistrates at Beaconsfield heard that the singer had been driving towards London on the M40 near High Wycombe on May 30, when he was told the woman had returned.



"Suppose I want to fill my (now) lead-free car with petrol. Do I call in at the nearest Shell station? Of course not: Nigeria."
Ethical consumption

Four die as canal boat sinks

Disabled trippers trapped after narrowboat is snagged in lock

Martin Wainwright

FOUR disabled passengers on a daytrip drowned yesterday when their canal boat was snagged on part of a lock and sank within minutes.

The three men and a woman with learning difficulties had "no chance", according to witnesses of the disaster on a placid stretch of the Leeds-Liverpool waterway at Gargrave in the Yorkshire Dales.

Shepherded into Stegach Lock — one of a gentle flight often used to train narrowboat-hirers on lock mechanisms — the boat is thought to have caught its bow and tipped backwards, taking in floods of water at the stern.

Four passengers on the boat escaped, along with a party on a second barge which was negotiating the lock at the same time.

British Waterways staff, who raised the alarm, said heroic attempts had been made by passengers to rescue the four victims. One young man jumped into the water to try

to release a passenger trapped inside the narrowboat.

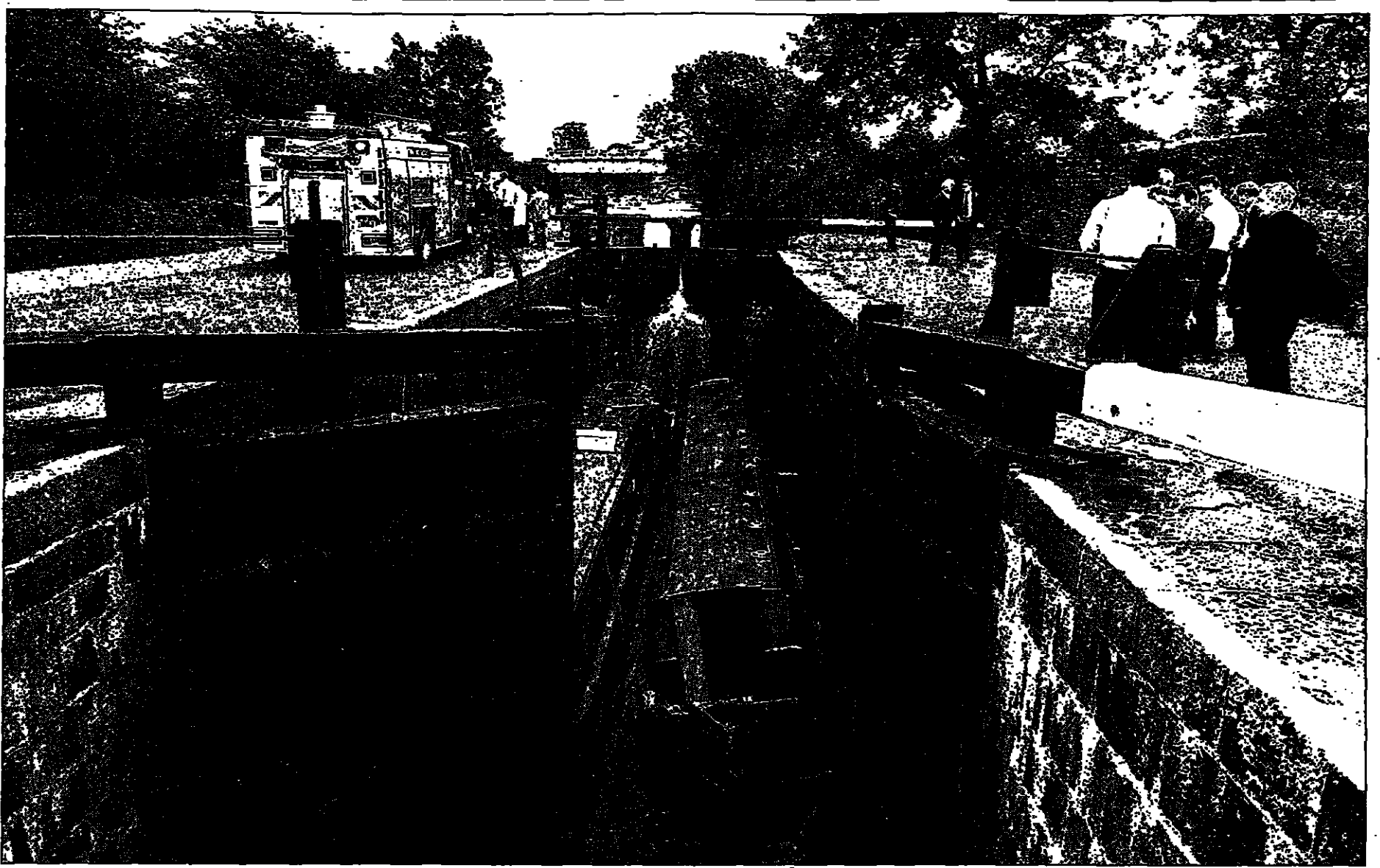
Terry Glover of North Yorkshire fire service, which mobilised its waterborne rescue unit, said three casualties were being treated on top of the boat when the team arrived, but the other was trapped underwater.

The flooded boat was finally reached by divers and fire officers wearing breathing apparatus before the lock and stretch of canal below it were drained. A doctor certified the victims dead after medical staff had attempted to revive them for 45 minutes.

The narrowboat remained tilted on the stone floor of the lock last night, with water seeping from the closed wooden gates and debris, including cushions, kitchenware and books, scattered on the canal bed.

North Yorkshire police said that the victims and their day centre in Cumbria which organised the trip would be named today, when all relatives had been contacted.

Bill Schlegel, British Waterways North West technical director, went to the lock last



The scene of the accident involving two narrowboats at a canal lock at Gargrave, North Yorkshire, which cost the lives of four disabled people

PHOTOGRAPH BY ASADOUR GUZELIAN

night as health and safety staff began an inquiry into how the exceptionally good safety record of Britain's canals had been so abruptly marred.

The tragedy is the worst on the 127-mile canal since war-time bombing. "We want to know what has happened, but

we would be very surprised if there was anything about the lock which was unacceptable," said a British Waterways spokesman.

Inquiries are expected to focus initially on the boat's manoeuvring inside Stegach Lock, which regularly takes two boats at a time on a busy

stretch, popular for day trips from Skipton.

Both boats will be craned from the lock, probably today, and statements will be taken from survivors, who are receiving counselling.

The boats were being locked downstream when the accident happened, according

to witnesses. The day centre party's barge got "caught" as the water in the lock fell.

This can happen — although very rarely — by snagging on part of the gates, sluices or stonework, or if ropes used to hold the boat in a safe position as it descends are mishandled. The BW

spokesman said: "No matter how much instruction you give to people, you can't prepare for something like this." Ambulance crews were sent from Skipton, Keighley and Settle after the emergency call, along with a specialist team from Alredale general hospital.

The narrowboat was hired from Silliden Boats, near Keighley, where there was no answer to phone calls last night.

Accident investigators will also consider whether the two boats had become fouled, with one inadvertently forcing the other on to a snag.

Free travel on Chiltern as regulator gets tough

David Gow
Industrial Editor

THE Government's stern response to deteriorating services on privatised railways paid off yesterday for passengers of Chiltern Railways, who are to get free travel and bigger refunds as compensation for persistent cancellations.

As a £2.5 million agreed package of benefits for travellers on Chiltern was unveiled, John O'Brien, rail franchising director, issued a fresh warning to the country's 26 train operators that he would remove their lucrative franchises if standards did not improve.

Season ticket holders on Chiltern will get a week's free travel. Passengers subject to more than an hour's delay will get a full refund of their single fare, and those delayed by over 30 minutes will get half of it back under the package.

Chiltern — which runs lines from London's Marylebone to Birmingham, Banbury and Aylesbury — has also agreed to increase security and refurbish toilets at bigger stations.

It is the first time Mr O'Brien, the head of Opat, has used new powers given to him by John Prescott, Deputy Prime Minister, to benefit passengers.

Other companies whose trains are regularly cancelled or severely delayed can expect similar ultimatums in the next few weeks. "I would expect Chiltern to deliver a better service from Monday," Mr O'Brien said.

Last week an Opat survey showed growing consumer dissatisfaction with falling standards of service on the privatised rail network, and brought a furious reaction from Mr Prescott, who had increased Mr O'Brien's powers after last year's South West Trains debacle. SWT, owned by Stagecoach, had cancelled hundreds of trains.

'Chiltern have done a lot of innovative things, but unfortunately they are not living up to commitments'

Ironically, Chiltern, owned by M40 Trains, a management and employee buy-out, is acknowledged by Mr O'Brien to have done much work to improve the railway.

"They have agreed to double the track on part of their route, they were the first to order new trains and they are being delivered now and they have done a lot of other innovative things, he

said. "But unfortunately the quality of service has slipped, and as far as I'm concerned they are not living up to their commitments."

Chiltern's compensation for passengers has been triggered because it has cancelled more than 1 per cent of trains in each of four four-week operating periods — and is in breach of commitments again this month.

Other operators carry out far more extensive cancellations, but Chiltern inherited one of the best services provided by British Rail so its performance targets are tougher.

Under the package it has agreed to recruit more drivers, improve rolling stock and maintain spare trains for emergency use in peak periods.

Adrian Shooter, Chiltern's managing director, said that since winning the franchise in July 1996 the company had increased its fleet by 25 per cent, run a third more services, employed 20 per cent

more staff and carried far more passengers.

Despite this, he admitted that the recent performance record had been unacceptable.

The regulator estimates that the benefits package unveiled yesterday will cost Chiltern £2.5 million between now and the end of its franchise in July 2003.

However, the company faces further penalties, including stiff fines, if it is found to be in further breach of its franchise within the next three years.

Mr O'Brien said: "I expect the operators to deliver on their commitments. If they don't, I will have no hesitation in using all the powers at my disposal to ensure that the service they have contracted to supply is restored very quickly."

"If they don't, they can look forward to enforcement which could ultimately lead to the loss of the franchise."

Mr Prescott, who wants his proposed strategic rail authority to have tougher powers to enforce better standards of service, let it be known last night that the train operators would not be allowed to get away with poor performance.

He is encouraging the franchising director to use his new powers rather than threatening fines if services do not improve within, say, 28 days.

Sandwich choice reveals upper crust

John Ezzard

SOCIAL habits change but their stigma remains the same. Buying a cheap cheese and onion sandwich at Tesco brands you a male manual worker as surely as smoking a roll-up between thumb and forefinger once did.

If you want to at least look as if you're getting ahead, ask for a top-of-the

range designer snack. This is part of the new pecking order of workplace life, according to market research issued yesterday by the store chain.

Setting out to define and target its lunch crowd more precisely, it found that well-paid executives "invariably" insist on designer sandwiches made from ciabatta and focaccia with sun-dried tomatoes, rather than the ordinary sliced white loaf.

The survey is partly a bit of fun. However, Tesco found enough links between occupation and food choice to draw lessons about behaviour. Busy manual workers tend to grab a sandwich that looks affordable, simple and quick to eat.

Salespeople and middle-ranking executives are apt to go for meaty triple-deckers. Upwardly mobile women, aged 25-40, are liable to choose low-calorie

sandwiches costing around £1.49. Those paying up to £2.49 a round — and more if their food is bought at more upmarket counters than Tesco — is the high-powered executive.

Sharry Walker, Tesco's sandwich buyer, said: "Their sandwiches have to make the right statement about them. They have to say, 'The person eating this sandwich is very important, so only the best will do'."

Who eats what

Male manual worker

Cheese & onion, 95p
Prime Scots beef, £1.15
Egg mayonnaise, 89p

Female manual worker

Prawn mayo £1.19
Healthy Eating ham & mustard 99p

Salesman and middle-rank

Exotic chicken triple pack £1.99
Super deep-fil bacon, lettuce, tomato £1.99
Super deep-fil ploughman's £1.79

Upwardly mobile male

Well-filled smoked salmon
Prime Scots beef with
horseradish mayonnaise
(both £1.99)

Upwardly mobile woman executives

Seachurn or Italian chicken
(Healthy Eating)
Char-grilled mushroom with
ricotta & horseradish
spread

Man or woman, high-powered

Tortilla wraps (all £1.99) with:
pastrami with American
mustard, or
beef & French onion



Cheese and onion... male manual workers' sandwich choice

Will row leads to inquiry into 20 deaths

Verity Hogg

POLICE are investigating the deaths of 20 patients of a doctor following the exhumation of the body of a former mayor of Hyde, Greater Manchester.

Detectives were called in after relatives of Kathleen Grundy, who was 81, discovered that she had cut them out of her recently-changed will.

Greater Manchester police

confirmed last night all 20 were former patients of Harold Shipman, aged 52, a doctor for 28 years who runs a local practice.

Det Supt Bernard Postles, heading the inquiry, said: "I can confirm that we are looking into the circumstances of Mrs Grundy's death. We are also looking into 19 other patients' deaths as a matter of course in what is a full and thorough investigation. We are doing that in full co-operation with the coroner."

"I would like to stress that people should not panic about our investigation."

Mrs Grundy, a widow for 30 years, had lived in the Gee Cross area all her life and had been an active worker for local organisations. Her body was found at her home.

Dr Shipman gave the cause of Mrs Grundy's death as old age and signed her death certificate. A post mortem was held after the body was exhumed following a request to the coroner.

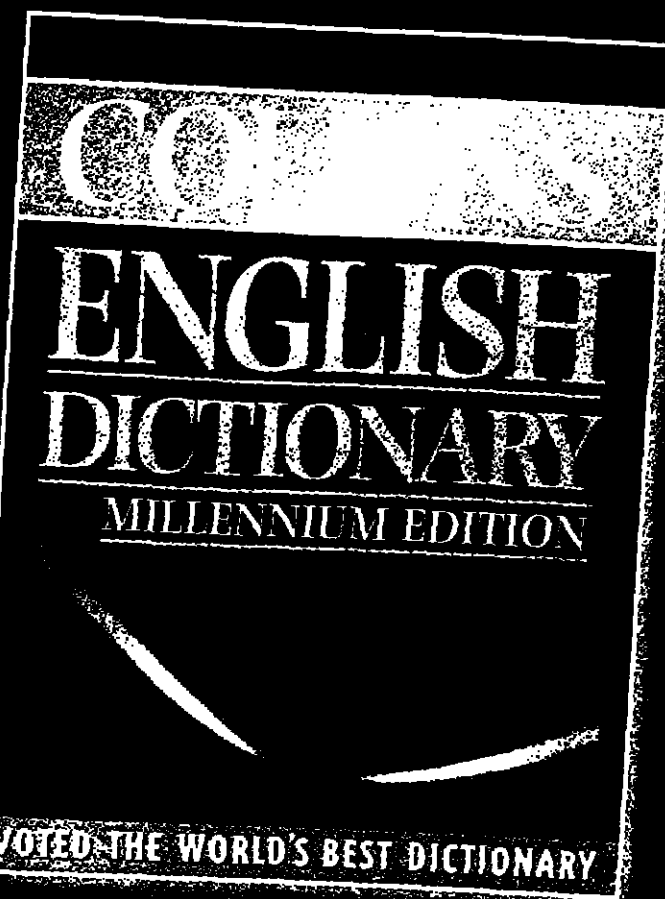
Detectives have spoken to Mrs Grundy's friends and plan to interview Dr Shipman when the results of forensic tests are known, possibly at the end of this month. They stressed there was nothing suspicious about the deaths.

Dr Shipman declined to comment, referring inquiries to the Medical Defence Union. A spokesman said: "Because of Dr Shipman's duty of confidentiality, he cannot discuss the treatment of any of the patients."

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Moscovites, hit hard by the rouble crash, grab at apples being given away at Christ the Saviour cathedral to celebrate the Orthodox holiday of the Apple Salvation. YURI KADOVNIKOV

Rouble pinch draws blood from Russia's high rollers

James Meek in Moscow

WAITING to be selected and boiled, piners bould to protect the maitre d', plump lobsters jostled each other in their tank in the lobby of Le Gastro, favourite mealtime haunt of Moscow's expense-account class.

It is not the most expensive restaurant in the city. The priciest wine — a 1988 Chateau Haut Brion — is only \$400. "I'm kind of surprised myself, but people do buy it," said the restaurant's director, Dmitri Yanovsky. "Not every day."

There will be even fewer Haut Brions quaffed there now that Russia's financial bubble has burst. Le Gastro, housed in a palatial former Soviet sausage shop at the base of a Stalin-era skyscraper opposite Moscow Zoo, opened two years ago as the country's stock market began to boom and foreign investors grew wise to the fantastic yields being offered by Russian government bonds.

The big Moscow brokerage houses threw lavish parties under its vaulting gilt and marble roof, and its tables were packed with trouphing suits just off the plane from London or New York, wondering whether they were in Moscow or Manhattan.

According to Mr Yanovsky, little has changed — yet. August is always a quiet month. But at lunchtime yesterday the eerie emptiness of the dining-room, where a man



A girl busks in Moscow yesterday to supplement her family's income. ALEXANDER NEMENOV

at a white grand piano entertained just two groups of diners, watched the shocked hush which has fallen over the city's once-boisterous financial community.

On Friday, one of Moscow's biggest investment houses, Brunswick Warburg, sacked scores of staff. One broker said between 80 and 90 people — a third of its employees — had been laid off. Most were Russians, although about 10 per cent were foreigners. Many other firms that expanded rapidly in the fat months of 1996 and 1997 have also slashed staff.

"The party's been over for a year," said Martin Diggle,

from Brunswick, near Newcastle. "The bear market began in September. Now it's a contracting market, not the sort of crazy expansion we saw in '96 and the first half of '97. Then it was euphoria, it was let the good times roll."

In the space of less than two years, the Russian stock market went from the best performing in the world to the worst. Now it has virtually ceased to function. When it peaked, some brokers were earning seven-figure bonuses. "Without wanting to sound sanctimonious, I think the vast majority of people came here not just to make a lot of money but to have an inter-

esting time, to be at the cutting edge," said Mr Diggle.

"Most are in this for the long term. I don't think many people thought they were going to get rich in six months and leave with trucks full of cash. Although some did."

He says the market could pick up early next year. But investors' insistence that they are in for the long haul is being tested throughout Russia.

On the main highway between Moscow and St Petersburg, the economy of the little town of Chudovo has recently been transformed by the construction of a \$75 million British chocolate factory.

Cadbury's employs 400 local people to produce 40,000 tons of Whiskas, Picnics and Fruit & Nut a year. For the time being, staff are secure — their rouble salaries are automatically raised to match the currency's falling value against the dollar — but operations manager Johan Strydom says the company is taking a wait-and-see position on the future.

The plant is a reminder that Russia is not as obscure, remote and irrelevant to the global economy as many Western analysts have argued in recent days. The country of 146 million has become a major consumer of European, Asian and American goods.

"Russia is the third largest confectionery market in the world," said Mr Strydom. "We have to be a player here."

Although the Russian people, weaker Russian banks and sacked brokerage staff are clear losers from the financial crisis of the past few days, it is still hard to identify which foreign investors, if any, got burned.

Maria Nikolakaki of Renaissance Capital brokerage — another firm which has shed workers — said there would be shattered lives on Wall Street and in the City among those who specialise in Russia.

She thinks US hedge funds — fronts for billionaires who played Moscow like a black jack game — might still have large holdings of Russian bonds.

"The people who are going to be screwed are the aggressive buyers who refused to sell when the shit hit the fan."

Moscow's wealthy creditors must wait

James Meek in Moscow

IN WORDS that will make Russia's foreign and domestic creditors swallow hard, the prime minister, Sergei Kiriyenko, said yesterday that the country's rouble-denominated debt would be converted into an as yet unspecified bond and paid back "within three to five years".

The default, which he called "restructuring", would free an extra 4.5 billion roubles (\$365 million-£455 million) every week for the government to pay its debts to its own employees and contractors, he said.

Anxious holders of the government's existing rouble bonds, known as GKOs, had expected to hear Russia's plans for their forcible conversion yesterday, but were disappointed.

The announcement was put off until Monday. The only comfort for holders of GKOs — not ordinary Russians, but Russian banks and foreign financial institutions — was that the delay was said to be as a result of advice from two blue chip overseas financial firms, J P Morgan and Deutsche Bank.

The crisis continues to hammer at the gates of Mr Yeltsin's holiday dacha

The pressure on the prime minister and his government comes less from the masses than from the top layer of tycoons and politicians manoeuvring for advantage and survival in a changed economic climate. The ambitious Alexander Lebed, ex-general and now gov-

ernor of Krasnoyarsk region, was due to hold talks with the embittered Mr Chernomyrdin in Moscow yesterday. Sources within Mr Chernomyrdin's political party, Our Home Is Russia, said conspiratorially that the general had already held discussions with "leading businessmen and politicians".

The head of the country's conservative patriotic bloc, communist leader Gennady Zyuganov, has long dreamed of a Russia governed by a neopolituro of VIPs, and wants to hold talks with Mr Lebed and the Moscow mayor, Yuri Luzhkov.

Mr Kiriyenko, a former provincial banker, has no political base outside the cabinet. But his most dangerous enemy now is the silence of his patron, President Boris Yeltsin, who in a feat ofchutzpah breathtaking even by his whimsical standards has been continuing his summer holiday since the Russian debt bomb exploded.

Mr Yeltsin remained silent yesterday. His spokesman said he was not planning any meetings and might take a trip to inspect the Northern Fleet in the Arctic on Friday.

But the crisis continues to hammer at the gates of the president's dacha. A slew of bad news spilled out of the statistics ministry yesterday showing that the real economy is in a sharp downturn. Real wages were down 8.9 per cent, unpaid wages went up by 6.5 per cent, and GDP was down 4.5 per cent.

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Alexander Lebed: Involved in talks with businessmen and politicians in an attempt to end the financial crisis

Draughts contestants play a dangerous game

Tom Whitehouse in Moscow

KALASHNIKOV-wielding anti-terrorist forces were on hand yesterday to defend competitors in Russia's World Draughts Cup, held this year in Chechnya, which is currently ranked one of the most dangerous places on earth.

Although draughts is a non-contact sport with no significant following among hooligans, the heavy security presence is justified by the danger of hostage-taking by Chechen criminal groups.

Since separatist fighters defeated Russia's army in a two-year war ending in 1996, a plague of kidnapping has swept the region, with more than 150 hostages — including two British aid workers — currently held to ransom.

To avoid abduction, players enjoy 24-hour protection in the confines of Grozny airport,

sleeping in its hotel and competing in the VIP lounge.

Guests from Germany, Australia and Israel meet counterparts from all over the former Soviet Union for more than \$80,000 in prize money. No government has recognised Chechnya's declared independence.

Heavy security is justified by the danger of hostage-taking by Chechen criminal groups

dence. Its authorities hope that hosting the Draughts Cup will help to attract international attention and investment. Because of security risks, Britain and the United States are not represented.

Region split by Mugabe offer of help for Kabila

Andrew Meldrum in Harare and Reuters in Luanda

THE Zimbabwean president, Robert Mugabe, yesterday pledged that nine southern African countries will offer military assistance to the beleaguered Congolese president, Laurent Kabila.

"We are going to respond positively in a manner that will help the government of President Kabila to restore peace and stability," said a grave Mr Mugabe on state television on Tuesday night.

His controversial announcement came after the meeting in Harare of four southern African defence ministers and other officials from nine of the 14 member countries of the Southern African Development Community (SADC).

Mr Mugabe said it was a unanimous decision that "all in the region will give whatever forms of support in whichever manner that is within our capability. This is going to be done soonest".

But Mr Mugabe's vow of regional assistance has already been disowned by South Africa, which did not have any high-level representation at the meeting. President Nelson Mandela said in Pretoria yesterday: "Our attitude is clear. It is not to worsen the position by sending a military force. We are committed to peace and that is our attitude. That is my attitude as chairman of SADC."

Mr Mandela's spokesman, Parks Mankabana, condemned the claims that the

proposed action would be taken under the auspices of SADC.

"Anyone who pretends to be speaking for SADC on this issue is misleading himself and the world. The question of committing troops is a very, very serious and complicated one. It is a decision that would require a gathering of the 14 heads of state," he said.

Botswana officials said they had no intention of sending military help to Mr Kabila. Angolan officials, however, have stated they will send assistance to Mr Kabila's forces.

Namibia's position is unclear. The country's largest daily reported that Namibian defence troops loaded 21 tons of arms and ammunition into two Boeing aircraft bearing registration marks of an Angolan air charter company.

The Angolan government confirmed participation in the SADC initiative. The deputy foreign minister, Jorge Chicote, said: "We have taken a collective decision that all kinds of help should be given to President Kabila, including military support."

Mr Chicote said no details of the intervention had been worked out, but that the move had been approved by defence ministers of the 14-nation SADC during talks in Harare this week. "There is a war going on here and it has got to stop. The SADC defence ministers have decided to intervene and this has got to be done."

Mr Mugabe's attempt to organise regional help for his friend Mr Kabila has sparked a rift in the once clubby



Young soldiers (above) in Roma who were arrested by the rebels after refusing to mutiny against Mr Kabila. Robert Mugabe (below) with friend Laurent Kabila, the Congo leader to whom he has pledged military help. PHOTOGRAPHS: HOWARD BURDITT/CONRINE DUFFKA

SADC. The defence ministers of Namibia, Tanzania, Zambia and Zimbabwe — the only ones present at the Harare meeting — had earlier said that only their heads of state would decide what to do about the situation in Congo.

Zimbabwe has already delivered weapons and supplies worth \$90 million to help Mr Kabila's army, according to Harare security sources.

The most potent assistance would be if Angola were to use its formidable airforce to strike rebel lines advancing on Kinshasa. Mr Kabila travelled to Angola earlier this week to see if such assistance could be agreed upon.

Bonaya Godana, the Kenyan foreign minister, said in Nairobi that the rebels had been warned that they could face foreign armies if they tried to take Kinshasa. Mr Godana said the mes-

sage had been passed to the rebels in their eastern Congo stronghold of Goma by a visiting SADC delegation.

Mr Kabila did not attend the Harare meeting, but sent his son, Joseph Kabila, who is army chief of staff.

Although Mr Mugabe is head of the SADC's security committee, he is not empowered to make decisions without the agreement of the 13 other heads of state. The SADC, which Congo joined last year, does not have a pact that members must defend other members.

Many sceptics in Harare believe that Mr Mugabe assumed the role of regional leader to distract attention from his many economic and political problems at home. But his approach has backfired with the disclaimers from South Africa, Botswana and Namibia.



Schools empty in Indonesia

Kevin Watkins on the children whose future is being sacrificed to economists' edicts

LEARISA ELMAS came home from school for the last time last week. Her mother Erlinda finally admitted defeat in her struggle to give her 10-year-old daughter an education.

"How can I afford to send a child to school when I cannot feed the family or pay for medicines?" she asks.

The family lives in the Indonesian province of Maluku, and Lealisa's father, a labourer in Jakarta, has recently joined the ranks of the country's growing army of unemployed.

Many of their neighbours on the desperately poor island of Kei Kecil are asking the same question. Rising food prices and falling incomes mean the education of children has become an unaffordable luxury.

At the local primary school most of the desks are empty. Teachers say that attendance levels have fallen by half during the past year. Parents are unable to afford the parent association fees on which the school now depends, as government funding has been cut by a third. Even the most basic textbooks have become unaffordable.

The vacant desks tell only part of the story. Teachers say many of the children who do attend school are unable to concentrate because they are suffering from malnutrition or illness. Reports from Oxfam programme officers working with fishing communities on Kei Kecil confirm that many families can only give their children one meal a day, and that milk has been cut out of the diet. One year into an Interna-

tional Monetary Fund-led "rescue" programme, the plight of families on Kei Kecil is a microcosm of the social tragedy unfolding across Indonesia as the South-east Asian financial crisis gathers pace. Last month, the IMF director Michel Camdessus pronounced that the economy had "turned the corner".

Reality suggests that it is continuing to hurtle downhill at an alarming rate. This year, the economy will shrink by 15 per cent. Unemployment has quadrupled to more than 20 per cent. Yet social policy has been relegated to the back seat in the headlong drive to restore what is euphemistically termed "macro-economic stability".

Nowhere are the consequences more visible than in education. According to government figures, drop-out rates have almost tripled during the year since the crisis began. While the IMF and Indonesia's creditors fix their gaze on the latest inflation figures and the exchange rate, a lost generation of children is emerging.

To its credit, the World Bank is responding to the education crisis. It has committed \$200 million to one of its largest education operations. It aims to provide grants to more than 2 million students.

Attempting to protect the poor through social welfare schemes in the face of an economic programme that is causing mass poverty is a prescription for failure. The World Bank has been left trying to fight a forest fire with a leaking bucket, while the IMF fans the flames.

The victims are children such as Lealisa Elmas, whose future has been sacrificed, courtesy of the IMF, to the interests of commercial creditors and speculators on Wall Street.

Kevin Watkins is a senior policy adviser for Oxfam

President may face more questions • Reports emerge of testimony outbursts • 'Phoney war' tests national patience

Mud starts to stick on Clinton

The evidence/Starr scrutinises 4½ hours of 'hostile' testimony line-by-line in search of perjury

Martin Kettle and Gary Younge in Washington

BILL Clinton's grip on the presidency began to look more vulnerable yesterday. His efforts to ride out the storm after his admission of an affair with Monica Lewinsky came under renewed legal and political challenges as the former White House intern prepared to give fresh evidence to a Washington grand jury today.

While Mr Clinton marked his 52nd birthday with a low-key family celebration on the first day of his holiday in Massachusetts, the independent prosecutor Kenneth Starr was reported to be conducting a line-by-line examination of the president's four and a half hours of testimony from Monday in a search for evidence of perjury which could form the basis for impeachment charges.



President Clinton welcomed by supporters on his arrival at Martha's Vineyard for a family holiday. PHOTOGRAPH: JIM BOURG

Betty Currie and his friend Vernon Jordan seem likely to face the grand jury again. Further details emerged yesterday about Monday's historic interrogation of Mr Clinton. The New York Times reported that at one stage Mr Clinton's temper exploded

with such force that the participants took an hour's break, during which the president consulted his lawyers in the White House doctor's room. Secret service officers monitoring his movements by electronic tagging were so alarmed by his presence in

the medical office that they thought he had become ill. The Associated Press said that Mr Clinton admitted on Monday that Ms Lewinsky performed oral sex on him on several occasions. Mr Clinton had previously denied a sexual relationship with Ms

Lewinsky and repeated in his broadcast after Monday's questioning that his earlier denials remained "legally accurate". Mr Clinton was reported by sources close to the investigation to have been "hostile" and "defiant" on several occasions

under questioning. Flash-points included questions about whether he soiled Ms Lewinsky's blue dress during one oral sex session, and the exchange of gifts between himself and Ms Lewinsky.

Senior Republicans, who control both houses of Congress where impeachment proceedings would be decided, said yesterday that they would reserve judgment on Mr Clinton until Mr Starr produces his report.

A straw poll of the private views of the House of Representatives judiciary committee, taken by the Roll Call magazine, said that the Republican majority believes Mr Clinton's confessions have done nothing to halt the progress of impeachment.

Though the opinion polls still appear fairly solid for Mr Clinton, evidence is growing of public impatience with his handling of the allegations against him and of his vulnerability to new revelations. Three polls taken on Tues-

day showed most Americans blame the president for his own troubles and do not believe he told the whole truth. But in a CBS News/New York Times poll 71 per cent of those asked approved of the job he is doing as president, up four points from a week ago.

Pollster John Zogby said: "While his ability to govern has not been damaged too severely, for the first time we are seeing majorities favouring the possibility of his leaving office."

A three-to-one majority believes the investigation should end now that Mr Clinton has admitted the affair. But half of those asked said resignation or impeachment would be the answer if it transpires that he asked Ms Lewinsky to lie. Forty-eight per cent believe he did just that.

Decca Aitkenhead, page 6; Women, G2 pages 4, 5; Website updates at <http://reports.guardian.co.uk/clinton/>

Doubts flourish as Hillary plays the saint

The home front/Disbelief has greeted the First Lady's claim she was misled by her husband

Gary Younge in Washington

HILLARY Clinton's attempts to contain her public humiliation by projecting the image of a loyal and wronged wife who did not know the truth about her husband's affair until the weekend were widely derided by White House staff yesterday.

On Tuesday her press secretary, Marsha Berry, had said: "She was misled. The president said that and that's true."

But those close to President Clinton say his wife must have known, given the key role she played in providing him with legal advice. And, if she did not, she should have had strong suspicions, given his track record.

"It just does not ring true," said one senior White House aide. "Who is putting this stuff out?" asked another before discovering that it was coming from Mrs Clinton's own office.

One columnist described the Clintons' displays of fractured family unity — their daughter Chelsea walking between her parents holding their hands — as ridiculous.

"This grotesque pantomime of domesticity that the Clintons perform in public is as preposterous as the portrait of Mrs Clinton as an injured innocent," wrote George Will in the Washington Post.

The message from the First Lady's camp on Tuesday was supposed to serve two functions.

Firstly, it made a public show of support for her husband while quashing speculation of a split. Mrs Clinton was "committed to her marriage" and "believes in this president and loves him very much".

Secondly, it made clear that, while her husband may have knowingly lied to the American public, she did so only inadvertently. In January she told the country she had talked with him about the Monica Lewinsky matter "at great length" and confidently predicted: "That is not going to be proven true."

"I assume that her own credibility matters a lot to her," said one adviser. "She wouldn't want anyone to think that she intentionally misled the country even though he did."

But whether this latest public relations exercise was motivated by political expediency or genuine affection is unclear. For the first time ever Mrs Clinton has higher approval ratings than her husband.

It is known that there was a great deal of tension between the president and the First Lady over the weekend as it became clear that he was going to admit the affair to the grand jury.

The Rev Jesse Jackson flew to the White House at Chelsea's behest to ease friction on Sunday night. "Many women would have been nursing their wounds on in private solace," he said. "She was in the room helping to chart the plan for his testimony."

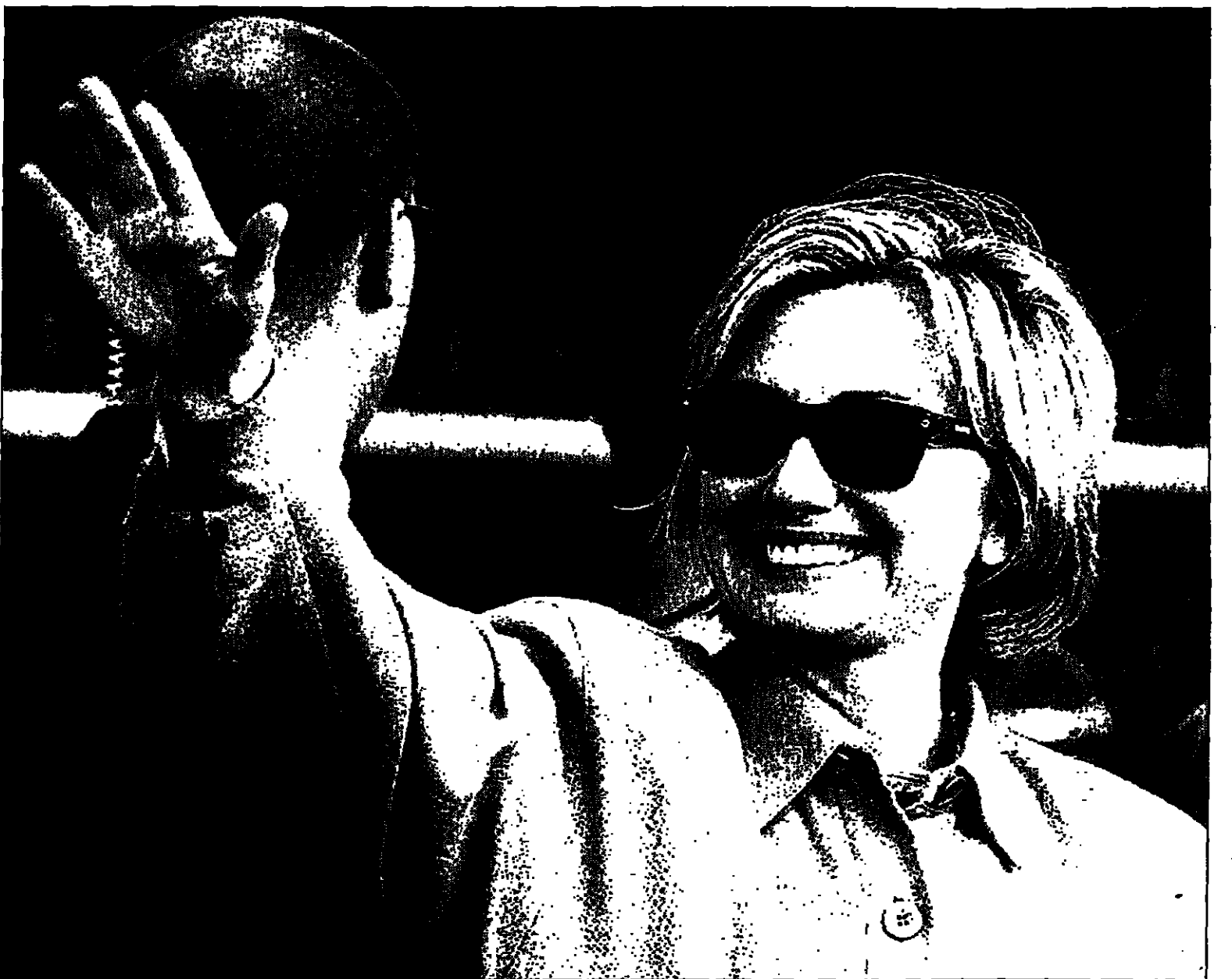
Mrs Clinton was virtually alone among the president's inner circle in encouraging him to use his speech to take the political offensive against the independent prosecutor Kenneth Starr.

But it is precisely this hands-on involvement in her husband's legal strategy that many believe means she must have been aware of the truth.

At best, say her detractors, she is guilty of wilful ignorance. She knew an inappropriate relationship had taken place but either the details had been kept from her or she had asked not to be told.

At worst, they say, she was complicit in weaving the web of lies that have now ensnared the couple.

It is more likely, says Mr Will, "her antic defences of her husband have been lies".



Mrs Clinton's camp claimed that until last weekend she had not known the truth about the president's affair with Lewinsky. PHOTOGRAPH: RUTH FREMSON

President 'hinted at sex confession in January'

The adviser/Former aide reveals secret polls persuaded Clinton to deny relationship

Martin Kettle in Washington

PRESIDENT Bill Clinton made admissions to a confidant about his relationship with Monica Lewinsky on the same day he first denied an "improper" relationship with the former White House intern, it emerged yesterday.

Dick Morris, the disgraced mastermind behind Mr Clinton's 1996 re-election campaign, said yesterday that the president told him on January 21: "I just slipped up with that girl. Ever since I was elected, I've tried to avoid things like this, but I just slipped."

Later that day — the day on which the Washington Post first broke details of the Lewinsky story — Mr Clinton

went on PBS television and denied "an improper sexual relationship, or any other kind of improper relationship" in an interview.

According to Mr Morris, who was summoned by the independent counsel, Kenneth Starr, to give evidence to the Lewinsky grand jury on Tuesday, he had five telephone conversations with Mr Clinton between January 21 and 23 in the wake of sex and cover-up allegations.

In the first conversation, Mr Clinton was "in a bad way", Mr Morris said yesterday. "He was depressed, disorientated and almost on the verge of tears. Clearly, shame and remorse had overtaken denial."

Mr Clinton "repeatedly denied" an affair with Ms Lewinsky, Mr Morris said,

but "he kept slipping in comments that made me understand that there was more to this than just a simple denial would cover".

At one point the president told Mr Morris: "I didn't do what they said I did. The charges are untrue. But I did do something, and I'm not sure I can prove my innocence."

Mr Clinton also warned Mr Morris: "There may be gifts, and messages on my telephone answering machine."

Mr Morris said he "didn't ask him what the 'something' was, but I took his cue that it was big". Mr Morris said he commiserated with Mr Clinton, saying: "You poor bastard. I know what you are going through and my heart is with you."

Mr Morris has been a crucial strategist in two of Mr Clinton's greatest comebacks — his re-election as Arkansas governor in 1982 after his 1980 defeat, and his re-election as president in 1996. In August 1996, Mr Morris

"I just slipped up with that girl. Ever since I was elected, I've tried to avoid things like this"



What Clinton told Dick Morris (right) in January

was fired after he was caught with a prostitute, but Mr Clinton turned to him for help with the Lewinsky allegations.

Mr Morris's revelations to the grand jury confirm not only that Mr Clinton was telling one story to his close confidants and another to the world in January, but also

test the strategy. Mr Clinton agreed. "Taking my lead from the president's hint about 'something', I asked voters how they would respond if the president admitted he had some kind of sex with Lewinsky," Mr Morris said.

The answer from the polls was "no problem". "But when it came to admitting that he had not been truthful in his deposition, they jumped ship," Mr Morris said.

More than 50 per cent wanted him impeached if he lied on oath. A majority also rejected "a speech similar to the one the president gave on Monday [August 17]". More than one in three voters thought he should go to jail if found guilty.

Mr Morris criticised Mr Clinton's Monday broadcast. It was "more arrogant than abject, more contentious than contrite", he said. "Where he needed our sympathy, he appealed to our partisanship. He would have done better to have asked for our mercy."

Warped little mind game has gone on for too long

Comment

Maureen Dowd

PRESIDENT Clinton is the Grand Canyon of need. He can never stay focused for long on running the country and the world because it gets in the way of his favourite pastime, a warped little mind game called "How Much Do You Love Me?"

The wild-child president enjoys dipping into his dark side and engaging in the sort of hooliganism that

requires everyone around him to make soul-wrenching compromises.

Rather than tell the truth about a cheesy office affair seven months ago, he dragged Washington and America into a stupid, phoney war. It's not a war about ideology or principles or privacy rights, although the Clintons like to cast it that way. It's a war about how much Bill Clinton can get away with and still keep our affection. He's constantly testing the limits of our love.

He wants to know if his aides and advisers will lie for him, lose their good

names for him, accrue legal bills for him, be saps for him.

Women in Congress who had stuck with Mr Clinton through his seven months of living dangerously were furious about the Lewinsky affair on Tuesday. "It's the grossest kind of infidelity," one told me, "just sheer constant physical relief and satisfaction, really using in the crudest way somebody who was obviously extraordinarily glib and obviously madly in love with him, somebody who would have done anything for him, and doing this in the Oval Office, I'm having a very

hard time with it. I don't want to be an enabler."

The president gave his loyal, accomplished wife a choice between the two roles she most dreads: victim or liar. Either this super-brainy lawyer and strategist did not know her husband was lying, meaning she fell for the oldest story in the world. Or she did know, meaning she lied when she defended him on the Today show.

Mr Clinton presented a searing Hobson's choice to his lovely daughter. She dutifully blessed him with her protection, holding his hand on the way to the heli-

copter on Tuesday, even though he humiliated her mother with a girl close to her own age.

The Clintons attack Mr Starr to deflect attention from the president's immoral behaviour. They appeal to decent American impulses — Americans do not like lynch mobs, hate-mongering, or Big Brother peeking through bedroom windows. The Clintons elicit public-spirited impulses and use them for their private political gain.

But the choices they ask Americans to make are false ones. One can think the notion

of impeachment is ludicrous and still think that Mr Clinton has acted with monstrous selfishness.

One can think Mr Starr's investigation has been scary and still believe that a president should tell Americans the truth at the first opportunity, not the last. By expecting others to sacrifice so much to preserve his political viability, Mr Clinton has killed something worthy and important in public life.

His game has grown exhausting. How much do Americans love him? Not that much. — New York Times

Why Does Your Memory Fail You?

A WORLD-FAMOUS memory expert, who has trained industrialists, trades unionists, businessmen, housewives and students to improve their memories, once said:

"Many people are embarrassed by a poor memory, and find difficulty in concentrating; whilst others realise that they lose business, academic and social opportunities not only because they cannot remember accurately everything they see, hear or read, but also because they cannot think or express their thoughts clearly, logically and concisely. Some seek advice, but many do not, mainly because they believe their memories cannot be improved."

Simple Technique

And yet, he went on to explain, he has devised a simple technique which can improve even the poorest memory. What's more, it can even work like magic to give you added poise, self-confidence and greater personal effectiveness. Everyone owes it to himself to find out more about this method.

Rapid Results

According to this remarkable man, anyone — regardless of his present skill — could, in just 20 minutes a day, improve his memory and concentration to a remarkable degree.



Forget names, faces? able degree. For example, you need never forget another appointment — ever! You could learn names, faces, facts, figures and foreign languages faster than you ever thought possible. You may be able to imprint whole books on your memory after a single reading. You could be more successful in your studies and examinations. At parties and dinners you may never again be at a loss for appropriate words or entertaining stories. In fact, you could even be more poised and self-confident in everything you say and do.

To acquaint all readers of The Guardian with the easy-to-follow rules for developing skill in remembering, we the publishers have printed full details of this interesting self-training method in a fascinating book, "Adventures in Memory". sent free on request. No obligation. No salesman will call. Just telephone 0800 298 7070 free, or fill in and return the coupon on Page 11 (no stamp needed). Or write to: Memory and Concentration Studies (Dept. MGM187), FREEPOST 198, Manchester M60 3DL.

Comment

Diary

Simon Bowers

YESTERDAY we learnt of Jack Cunningham's new arrangements at the Cabinet Office. Having taken on the mantle of Enforcer, you will recall, he now inhabits the vast room previously occupied by the department's eight-strong private staff. Now we hear there was some confusion during the reshuffle negotiations last month over what his new job title should be. While Jack was said to like the ring of "Secretary of State for the Cabinet Office," Mr Tony Blair, realising that this might appear to clash with his position as Cabinet head, was not so keen on the idea. A tantrum looked imminent until some bright spark pointed out that it was a constitutional requirement for there to be a Chancellor of the Duchy of Lancaster in Cabinet. Jack reluctantly agreed, on the condition that it became widely known that everyone always referred to him by his tough new nickname: The Enforcer.

A SWEET tale comes to our attention from the Jewish Chronicle. "At busy times of the year," explains the paper, "newlyweds often have to wait a while before their picture appears on the JC's prestigious Faces and Places page." Last week, however, they were called by a woman asking whether they were going to publish a picture she had sent in of her son and daughter-in-law, and if not, whether they would mind returning it. This, we think, is the least they can do. She has been searching the Faces and Places page for the photo for the last seven years.

YESTERDAY we drew attention to Digby Jack's letter in the Richmond and Twickenham Times. "As a resident living right under a flight path," he wrote, "I sometimes welcome the two Concorde flights to New York on some Sunday mornings. They help me wake up after a very busy and stressful working week." His letter goes on to point out that "the economic benefits of Heathrow's development far outweigh the inconvenience." What Digby neglects to mention is that he covered yesterday, that his "busy and stressful working week" is spent as regional officer for MSF (Manufacturing, Science and Finance union), representing workers at two of Britain's largest companies — Glaxo Wellcome and SmithKline Beecham — whose headquarters are also next to the capital's busiest airport.

A DOCUMENT headed "Top Secret" finds its way to the Diary desk. "This list is NOT for public consumption, like my apple pies," it reads, "until AFTER I have been elected." It is from Charles Bronson, Her Majesty's most bearded and some say dangerous house guest, and appears to be a provisional draft of council appointments, should his campaign to become Mayor of London be successful. Reg Kray, it says, can expect to be installed as council treasurer, helped with the results by Nick Leeson; while the capital's education will be safe in the hands of Bill the Bomb and Roy Shaw. Council whips will largely consist of close friends of Mayor Bronson who "are gonna whip some top totty". Other intriguing initiatives include, immediate pardons for all armed robbers and a new bikini dress-code for police officers — male and female — on the beat. You can try to appear scarier than Lord Archer, Charles, but it won't wash.

THE Diary's People-Friendly Guide to New Labour's Lexicon this week examines Tony Blair's 1996 observation, "we need a new social morality," interpreted by many to be an ingenious attack on redundant Socialist dogma. Ian Parker of Kingston-upon-Thames suggests three definitions: "Raising standards, lowering the moral high ground," "sponsorship not responsibility," and "Less value judgement, more judgemental values." What are you on about, Ian? We want definitions not cryptic crossword clues. A bottle of champagne to readers with more sensible contributions.



Hillary's act as the loyal, liberal wife is a little hard to swallow

Decca Aitkenhead



HILLARY Clinton has been less demanding than her husband, and given America rather less than it deserves to swallow. But on Tuesday, a spokeswoman for the First Lady asked Americans to stretch their well-worn credulity to breaking point. She announced that Hillary had only learned the truth about Bill and Monica a few days ago. Until last weekend, Hillary had been "misled".

After all the other lies, this is perhaps of little consequence. In fact, it is so hilariously implausible, it could almost pass without note. America is now busy rallying around the loyal wife, congratulating her on her brave decision to stand by her man. Public debate confines the political implications of the scandal to the question of impeachment: the private relationship between the president and his wife is now said to be just that, private.

How Bill and Hillary manage their marriage is a matter for them. It will, however, have political implications — not for the possibility of impeachment, but for the subways in which social norms and expectations are formed. A famous man has publicly and repeatedly cheated on his wife and humiliated her. And she has lied for him, and shown that her proper role is to forgive, support and understand. Married men casting around for a counter-offensive when their wives discover them in bed with their paramours can in future take their lead from the less a source than the White House. In small ways, by these public reference points are all our private lives informed.

The contract of the Clinton marriage will remain a mys-

tery, but there is little mystery about why liberal women of Hillary's generation find it so hard to condemn reckless infidelity. They are of a generation which rejected the idea that sex was shameful, believed in personal freedom, and despised the claustrophobia of pre-Sixties domestic arrangements. They were quite right in all of this — but a few decades later, their beliefs appear to mean they aren't allowed to mind when their husbands get blowjobs off office girls.

They seem to think that to mind would be a betrayal of the Sixties, and an embarrassing defection to the conservative camp. How could you spend all those years arguing for self-fulfillment, then come over all indignant when your husband seeks his fulfillment in somebody else's mouth?

It wouldn't just be conservative to object, but dreadfully unsophisticated. Modern women, heirs to the sexual revolution, should be far too worldly to take offence at the odd affair. Only suburban housewives get upset over such matters, they remind themselves.

In acknowledging the power and pleasure of sex, that generation of liberals have also transformed it into a right. If sex is natural, and sexual urges normal, then goes the argument, it should not be denied. This intellectual leap — from normality to entitlement — has done the world of good for those who argue the old biological determinist line.

Men just can't help themselves, they shrug — they are innately promiscuous, slaves to a pre-programmed urge to spread their seed, preferably among pretty, nubile girls.

Intelligent women are told that they should understand this. If they have a problem with it, the responsibility lies with them to overcome it, rather than with men to overcome their urges. It is also, therefore, the task of wives to address themselves to any sexual shortcomings, endlessly having to refresh their allies to keep their men from getting bored. When Hugh Grant was arrested for buying blowjobs from a prostitute, the explanation universally put about was that Elizabeth Hurley obviously didn't do oral sex, and should get a taste for it sharpish.

In view of all this, it is not terribly surprising that women like Hillary bear their indignity with gritted grace. In doing so, however, they allow the whole sorry muddle of confused ideals to endure, when they could be applying their considerable power to the business of exposing it.

The biological determinist argument is so thin it barely merits demolition, but for what it's worth, it should be pointed out that Bill Clinton's extra-marital biography exhibits no propensity for reproduction.

Even in Bill's strange world of sexual definitions, blowjobs cannot possibly make a child. Nor, without wishing to be unkind, do the women involved match the model of irresistible desire. Monica Lewinsky was not irresistible. She was just grateful.

The more important argument is the one about sexual freedom, and how the right wing have been given the monopoly on objections to extra-marital blowjobs. Liberals have allowed right wingers to appropriate criticism of in-

fidelity, and to package it in a wholesale stock of conservative beliefs which include opposition to the Sixties, feminism, personal freedom, sexual experimentation, even sex itself.

They have been complicit in letting conservatives invent a bizarre logic, which says that if you think it's normal for people to have sex with different people before they get married, you also think it's fine for them to carry on doing so behind each others' backs afterwards.

It is about time liberals put the record straight. There is nothing inherent in liberal sexual values which licenses lies or betrayal or humiliation. Nor does it make you a conservative to feel that personal commitments should be honoured.

There is nothing unsophisticated about objecting when your husband gets an office intern to go down on him, then finishes himself off while she performs a naked dance. And there should be no moral responsibility for a wife to come to terms with her husband's inconvenient little weaknesses.

With every fresh embarrassment in the Clinton presidency, the liberal establishment has closed ranks around its hero, and now his wife has followed suit. Just like Clinton, they offer apologies and excuses to protect their own interests, but in doing so they discredit the very liberal ideals they keep telling us are more important than petty sexual gossip.

In keeping with her husband, Hillary Clinton has now proved to be a great disappointment. She could have told the world that being a good liberal does not have to mean indulging wankers.

Why I might vote for Liz

Roy Hattersley



I SHALL not vote for Liz Davies in the election for Labour's National Executive Committee — unless Tom Sawyer makes another public attack upon her.

It was neither the General Secretary's intemperance nor his impropriety which almost converted me to the Davies cause. I simply felt embarrassed that a man who first came to public notice by shouting down Jim Callaghan should assume the role of sycophant-in-chief. However, he has not quite driven me into the Davies camp.

Like me, Mrs Davies believes in "a fairer, more compassionate and more collective society". But I doubt if we could agree a definition of how it can be achieved. So I am not one of her natural allies. I shall, however, support some of the candidate's recommendations, along with her, by the Grass Roots Alliance — the most unlikely bedfellows since Mrs Jelby woke up next to Mr Hyde.

This NEC election is contaminated by the publication of rival lists — one commended for its loyalty, the other for its independence of mind. If One Member One Vote is to produce a genuinely democratic result, decisions have to be made by personal judgement about individual merits — not hand-me-down endorsements and grandiose claims about ideological integrity.

I shall pick and choose. The Members' First "loyalist" list offends me most. The Labour leadership, which defines loyalty as uncritical agreement, demeans itself by supporting such an initiative. And it diminishes the party's moral authority by endorsing candidates who promote their cause by buying advertising space in newspapers. If only the rich or well-connected can win a seat on the national executive, Labour has abandoned more of its old ideals than I had feared.

I shall, however, vote for two Members' First loyalists. Michael Cashman is a brave and reasonable campaigner for gay rights — not an easy combination of virtues — and certainly not a creep. When, shortly after the election, he feared that the reform promises would be broken, he felt no obligation to argue that the Prime Minister could do no wrong. I rely on him to speak his mind. Diana Jenda, a Members' First loyalist, was (I am assured) almost included in the Grass Roots Alliance list. When we were all on the NEC Tom Sawyer told me that she talked too much. He meant that she argued with the Labour establishment. She was, and no doubt still is, a mild eccentric.

An enthusiastic yachtswoman, Ms Jenda passed boring moments in committee meetings by splicing tape ends. When she says that she will be critical but "only behind closed doors", I believe her.

Andy Howell (from the Grass Roots Alliance) was, for three years, the highly successful chair of the Birmingham Education Committee. David Blunkett used to boast that he would adopt the most progressive Howell ideas and apply them across the country. And so he did — including the University of the Third Age and summer holiday tuition. He is certainly on the left of his father. But — as my friend and mentor Denis Howell would gladly agree — almost everybody was. His offence against the leadership is suggesting that members should be treated with respect.

My fourth vote will go to Mark Seddon, Tribune's gift to the Grass Roots Alliance. Mr Seddon lives and works in the tradition of joyous dissent — which is why he so admired Neil Kinnock and Michael Foot in their cheerful periods. His temperament — and some of his ideas — annoy his elders. They have annoyed me in the past. But his healthy iconoclasm is just what the executive needs. He will say what others believe but are too cautious (or polite) to say.

With only two places left to fill, I give my fifth vote to Adrian Bailey — the virtually unaligned Midlands Co-operative Party organiser. Like the movement for which he works, Mr Bailey cannot be accused of being glamorous. All that he has to commend him is a lively mind and a lifetime of unostentatious work for the Labour Party. When the new constitution excluded high profile MPs from the constituency section of the NEC, it was (or ought to

This NEC election is contaminated by the publication of rival lists

have been) candidates such as Adrian Bailey that it had in mind as ideal replacements. So I am left with one place to fill. My vote will certainly not go to Peter Williams who, as I remember him, is a critic of the unconstructive sort. One possibility is Margaret Payne, who wants to promote the participation of ethnic minorities within the party. The other is Terry Thomas. He wins high marks because of his brave moderation when he was a Welsh miners' leader — and loses most of them by not mentioning his NUM past in his official election biography.

I shall decide between them during the next couple of weeks and vote by post so as not to take part in the ludicrous prize draw which is New Labour at its very worst. That, of course, is assuming that Tom Sawyer does not attack Liz Davies again.

The current chaos in Congo is par for the course. From Kurtz to Kabila, the country has always been a symbol of the anarchic

Unspeakable fear

Justin Cartwright

LAURENT Kabila, supposedly a representative of a new kind of African pragmatism and common sense, appears to be on the run. Some of the recruits he promised a wage and — bizarrely — sardines, have been shot by their own side while travelling to the front. There are fears he will engulf his neighbours in a regional conflagration: with the Southern African Development Community divided over whether to shore him up, and Nelson Mandela warning that sending in foreign troops will only make things worse.

The Congo, perhaps unfairly, has always been a symbol of the anarchic. The horror of Joseph Conrad's *Kurtz*, was the unspeakable fear of humankind which knows no humanity. It was also the fear that anyone caught in it could regress to the savage. The belief that

the Congo has remained stuck in a morass of ignorance and violence is pervasive. What is happening in the Congo now has done nothing to alter that belief.

For those with long memories, Kisangani, which fell to Kabila's Alliance of Democratic Forces for the Liberation of the Congo more than a year ago, was once called Stanleyville. It was founded by the Welsh-American adventurer, Henry Morton Stanley. It was taken in 1964 by Belgian paratroops travelling in American and British transport, with the purpose of rescuing European and American hostages held by Simba rebels. The Simba troops of Nicolas Olenka were famous, at least in the propaganda war, for their atrocities. The paratroops were only partially successful. Before they had taken the town, many of the hostages were murdered. The Congo was living up to its reputation for irrational violence. This reputation

goes back a long way: even David Livingstone reported that his men were afraid to go on towards the copper mines of Katanga and that he was forced to turn back. Fairly recent television pictures of wild and naked men on the Rwanda border armed with spears and guns suggest that in that vast country there are at least pockets of primitive savagery. But how do we know? They may be school teachers who dress like this at weekends: this is how profound our ignorance of this great sprawling country is.

A few years after the hostage rescue fiasco, Stanleyville entered literature with V S Naipaul's *Bend Sinister*. The second English literary masterpiece set in the Congo. Naipaul describes the desolation of the place, the burned-out suburbs, the destroyed town, and the overgrown gardens.

The Congo, you feel, is a place which is just waiting

to reclaim its own. It will never become a modern state. Missionaries, mercenaries and adventurers all, in the end, yield to the inevitable and return home. Buildings fall down, roads disappear into the jungle.

It is particularly ironic that, nearly 30 years later, Kabila, the *Conqueror's* old companion at arms, should be trying to defend Kisangani. There have always been questions about Kabila. For a start, what sort of man can run a rebel movement for 30 years? And what sort of regime did he institute when he got to Kisangani? Nobody was expecting a democratic revolution of the South African sort, but at the same time the world was expecting something better than the regime of the leopard-skin-hatted, fly-whisk-equipped Mobutu.

When South African Deputy President Thabo Mbeki, a sophisticated man, helped negotiate Mobutu's end, it was clearly painful for him

to be photographed with this relic of another era, the era of clownishly sinister dictators. Now, if his enemies are to be believed, Kabila seems to have taken up Mobutu's reins cheerfully.

For a Westerner, the idea that there is a country where normal rules do not apply is strangely disturbing. Maybe ignorance is our chief obstacle to understanding what is going on there. But the West, perhaps because of its inglorious role there during the Cold War, is standing aside during the present conflict. There is a distinct feeling in the corridors of power that the Congo is too fragmented, too irrational, too intractable to be capable of settlement.

There is also the fear that somehow a place like this can only drag you down — as Conrad said of *Kurtz*. "It was that that possessed him and made him their own to the innermost thought, the slightest stir of blood, to his last breath." At the turn of

the century, there was a fear that evolution could go into reverse, and the Congo was just the place to set the process in motion. This had happened to Kurtz.

When Belgium abandoned the Congo in 1960, only 136 children had completed secondary school the previous year in a country of 14 million. There were just 16 university graduates. For years the West felt giddy about the chaos which set in. Now the prevailing feeling is cynicism and hopelessness. After all, nearly 40 years have passed, more than half the whole colonial experience. Perversely, this abandonment by the West increases the pressure on South Africa, both to take a lead in Africa, and to succeed at home, because South Africa represents the last chance of Africa to confront the cynics.

Justin Cartwright's new novel, *Leading The Cheers*, is published on September 15



مكتبة الجليل

Otto Wichterle

A new way of looking at the world

Otto Wichterle, who has died aged 84, was quite literally, a visionary scientist who made people look at the world in a different way. He developed the hydrophilic or soft contact lens, now worn by around 100 million people worldwide.

He was not the first to think of contact lenses — the great Renaissance artist Leonardo da Vinci as usual had the idea first. But Leonardo never tried to make one. René Descartes worked out the mathematics of a rudimentary contact lens but was more interested in magnification. Before the end of the 17th century, people were proposing them as a correction for myopia, and the 19th century British astronomer John Herschel described one. The first such lenses were made, of blown glass, in 1828, but until 1954 there were none that

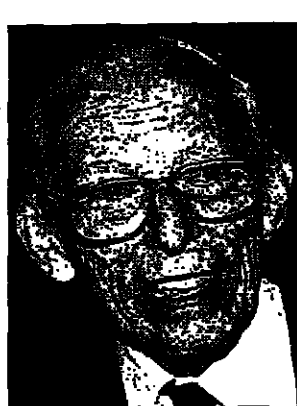
could be worn for long. And all were expensive. Wichterle changed that.

He was born in Prostějov, in what became Czechoslovakia, the son of an entrepreneur who produced agricultural machinery. At school he learned Greek and Latin which, he said, left him with a mind "trained in methodological thinking". In 1935 he began his career at Prague's Institute of Experimental Organic Chemistry. The German dismemberment of the country closed the institute down in 1939. He worked for Bata Shoes before his imprisonment by the Gestapo during 1942-43.

In 1945 he returned to teaching. In 1949, a year after the Communist takeover, he became a professor of macromolecular chemistry at Prague University. Then, in 1952, while on a train between Olomouc and Prague, he observed a fellow-passenger reading

about metal implants for eyeball replacement. "It would be much better," Wichterle told the traveller, "to invent some plastic for implants that would be compatible with the surrounding tissue." The fellow passenger turned out to be the secretary of a health ministry commission looking into the use of plastics for medicine.

The encounter was, at first, an embarrassment: Wichterle had to tell the commission that he had no such material, although he was sure he could synthesise some. He suggested that his department start looking at a class of polymers called hydrophilic, or water-loving, gels, and even before he started, he began filing patents on potential uses, one of which was for soft contact lenses. His institute took a dim view of the research but Wichterle found a partner in a small laboratory, and in 1957, he tried a lens in his own eye. It felt



rough, burning and unpleasant — but he saw immediately that the gel could be used to correct eyesight.

In 1958 he was expelled from his university in a political purge. He joined the Czech Academy of Sciences to do only basic research. That did not stop him pursuing his

According to his grandson, Wichterle never got more than one tenth of one per cent of the original fee paid for his invention of the contact lens

vision. He used his children's Meccano set and the motor from his record-player to build a lens casting machine on his own kitchen table.

In 1961 he had built the world's first soft contact lens. By the first month of 1962, he had produced 5,000 of them.

Things looked bright — and then the future clouded again. He went abroad, and demonstrated and tested his lenses, although not on patients. "The reaction was unanimous," he later told the Prague Post. "They were a joke, an interesting subject, but without any wider application."

A man from Harrisburg, Pennsylvania, went to Prague and bought the rights from the Czech government for \$300,000. Nothing much happened until someone from the National Patent Development Corporation arrived in Prague. The NPDC was owned by two US patent lawyers who specialised in dealing with ideas from the Soviet Union. They knew nothing about the technology, but one of them stopped off in Prague to see one of Wichterle's demonstrations.

"I took a lens out of my eye," said Wichterle, "threw it on the floor, stepped on it, then washed it with my mouth

and put it back in my eye." The lawyers were impressed enough to buy the rights for one million dollars. In 1967, they in turn found an American buyer in the company Bausch & Lomb, which paid three million dollars. Soft contact lenses are now a multi-billion dollar industry. According to Wichterle's grandson Hynek, now studying neurobiology at Rockefeller University in New York, the inventor never got more than one tenth of one per cent of the original fee paid to the Czech government.

Wichterle himself took the loss philosophically. "I would have had problems with what to do with such an amount of money," he said later. He was dismissed as director of his laboratory, the Institute of Macromolecular Chemistry, in 1968, after Russian tanks rolled in to suppress the Prague Spring. But he continued research and when

communism collapsed in 1989 he was elected head of the Czechoslovak Academy of Sciences.

He was the author of 200 patents in organic chemistry, plastics, synthetic fibres and biomedical materials. He gained huge academic distinction and international recognition, and in 1995 he was still working on synthetic lenses to restore sight after a cataract operation. He had patented a lens, he said, that would fit into the eye so well that "the patient can come in the morning, leave by noon — and he can see. To have a new idea is nothing special. But to bring that idea into practice — that requires effort."

He is survived by his wife and two sons, Karl and Ivan.

Tim Radford

Otto Wichterle, chemist, born October 27, 1913; died August 18, 1998



An examination of greed, power and wealth... a scene from Mambety's second feature film, *Hyenas*

Djibril Diop Mambety

Cinema's legacy of independence

THE avant-garde Senegalese filmmaker Djibril Diop Mambety, who has died from cancer aged 53, will be most remembered for his classic *Touki Bouki* (1973). The film was about a shepherd and a student with dreams of Europe and its focus was on the mentality of young Africans who were deserting their continent for the uncertain refuge of European cities. Mambety's stylistic sophistication and passion for poetry, sound and light made him, within his generation, probably Africa's most unconventional and respected filmmaker.

Mambety's work took inspiration from *Négritude*, the artistic movement born of the euphoria and excitement of the independence era in Africa of the early 1950s. It was influenced by the rough cut of the first president of independent Senegal, who developed cultural institutions to support the new belief and pride in black culture.

Thus it was in 1966 that artists from Europe, including Pablo Picasso and André Malraux, were invited to the *Premier Festival Mondial des Arts Nègres*. This festival launched many well-known Senegalese artists. The Senegalese writer Ousmane Sembène, doyen of African cinema, presented his first film *Borom Sarret* — the watershed for African cinema. And the French film critic Georges Sadoul saw, and was impressed by, the rough cut of the young Mambety's short *Badou Boy*, a story about a boy in the life of a local pickpocket.

Affectionately known by his friends as "the Hyenas", Mambety was born in Dakar, Senegal, the son of an imam, and grew up in the Colobane area



Mambety... poetic passions

While editing *Touki Bouki* in Rome, Mambety was arrested for participating in an anti-racism demonstration. He was held in jail for more than five weeks, and was released after the intervention of Communist Party lawyers and several friends — including the director Bernardo Bertolucci and the actress Sophia Loren. Back in Senegal, he found a huge bill — from the Communist Party lawyers.

In 1991 he completed his second feature film, *Hyenas*, the first of a projected trilogy on greed, power and wealth. An adaptation of the Swiss playwright Friedrich Dürrenmatt's *The Visit of the Old Lady*, it tells the story of Lingue, who had been spurned as a prostitute by her former lover and had fled her home to work abroad. She returns to her impoverished village as a wealthy woman, and demands the death of her treacherous ex-lover, in exchange for saving the village from further misery. The film was invited to the 1992 Cannes Film Festival, where the Observer's Philip French

hailed its intelligence and visual flair.

In 1994 came *Le Franc*, the first of another planned trilogy — this time about ordinary people. It centred on Marigot, a musician whose accordion is confiscated by his landlord when he fails to pay the rent. He wins the national lottery, but his winning lottery ticket is stuck to the door. He removes the door and travels all the way to the sea to wash it loose. Mambety had just finished shooting the second part of this trilogy, *La Petite Vendresse de Soled*, in Dakar when ill health intervened.

We last met in October 1997 in Tokyo. We were developing a film project about the life of Mumukshupada, one of the most powerful and feared African rulers, whose empire spread across south-eastern Africa and endured from 1400 to 1800.

Mambety is survived by his wife and son.

Keith Shill
Djibril Diop Mambety, film maker, born 1945; died July 23, 1998

Death Notices

CLAYTON, Shirley, who died on the 15th August 1998, in a hospice after a difficult illness, aged 84 years. Robert recently died, aged 82 years. Shirley was predeceased by her husband, Robert, who died on the 15th August 1998. Shirley was a devoted mother and grandmother. She is survived by her son, Robert, and her daughter, Shirley. The funeral will take place on Friday, 21st August 1998 at 11.00 am at St. Edmund's R.C. Church, 100 St. Edmund's Road, Loughborough. The family will receive friends at home on Friday, 21st August 1998 at 10.30 am. Family flowers only, please. Donations to St. Edmund's R.C. Church, 100 St. Edmund's Road, Loughborough, Leics, LE11 2JL, will be gratefully received.

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A Country Diary

THE BUREN: Today is wet very! I am walking in my Goretex gear under a large golf umbrella. The rain falls the earth. Even the water curled on leaf, berry, flower, courses in streams. Each hazel leaf is bent, overburdened by water. Rain beats against the flowers of hedgerow fuchsia, fierce gusting winds driving in to sting face and hands. I have to close the umbrella for fear of taking off. Sea and hills are invisible. Gloomy, this summer day in August? Not for me. The hedges are full of colour, pink and white wild roses, fuchsia with its ruby and purple flowers, montbretia's flame-like petals, harebells' silken blue, all shaken, propelled into ceaseless motion against an infinity of green shades, soft, pale, dark and all washed so clean, so clear. A robin shelters deep in a holly tree, reminding me of a Clare farmer's protection

of a nest he found in his tractor, near the wilderness. Every second day the robin laid an egg until there were six. He ensured the family could not get anywhere near the nest and used the tractor as little as possible, although he drove it to his daughter's primary school so that the pupils could see and marvel at the nest and its fledglings. The young birds all survived and in their own time fled the tractor nest. What a grand man I continue my walk and am lucky to find a cluster of purple, scented orchids. I kneel in the wet to sniff their clove-like scent. Such a (seemingly) small discovery, such delightful wonder! So, in an almost underwater world I plod home with heavy feet and light spirits, "with a noise of winds... with a clamour of waters..." (Swimburne).

SARAH POYNTE

Birthdays

Gerry Birmingham, Labour MP, 58; Mara Berni, restaurateur, 64; Finley Calder, rugby player, 41; Prof Peter Day, director, the Royal Institution, 60; John Embury, cricketer, 46; Roger Gale, Conservative

MP, 55; Jane Garside, chief commissioner, GRI Guildair, 58; Lord (Gus) Macdonald, minister for Scottish industry, 58; Robert Plant, rock singer, 50; Prof Sir John Pimm, historian, 87; Robin Oakley,

BBC political editor, 57; Twente Swan, president, International Federation of Business and Professional Women, 53; Desmond Swayne, Conservative MP, 42; Bob Waring, Labour MP, 68.

CORRECTIONS AND CLARIFICATIONS

THE CAPTION to a photograph showing the window of a clothing store, Page 20, yesterday, said in part: "...even specialist outlets likeington's Diverse menswear, are feeling the pinch". On the contrary, Diverse is having a good year, as the text of the accompanying report made clear.

Rigsby in *Rising Damp*. Unfortunately it appeared as though all references were to the character of Rigsby, suggesting to several readers that the two characters had been confused. In effect, they had. Sorry.

WE MISPELT the name of one of the Spanish victims of the Omagh bomb, Page 2, August 18. It should have appeared as Rocio Abad Ramos. The names of two Madrid streets were misspelt. They should have appeared as Vic-

tor de la Serna, and Arturo Soria.

It is the policy of the Guardian to correct errors as soon as possible. Please quote date and page number. Readers may contact the office of the Readers' Editor by telephoning 0171 238 5555 between 11am and 5pm, Monday to Friday. Letters to Readers' Editor, The Guardian, 119, Farringdon Road, London EC1R 3ER. Fax: 0171 238 5557. E-mail: reader@guardian.co.uk

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Analysis Jobs and inflation

A price well worth paying?

Tony Blair once attacked the Tories, who allowed joblessness to rise so that inflation could come down. Now he could be in the same boat. **Larry Elliott and Charlotte Denny report**

WHEN, as Tony Chancellor, Norman Lamont made his notorious comments about unemployment being a price well worth paying for lower inflation, Labour's employment spokesman reacted with scornful fury. "These comments are an absolute disgrace. They show a callous indifference to the unemployment the Government ministers have created." Labour's shadow employment minister at the time was, of course, Tony Blair. One wonders what he thought of the minutes of the July meeting of the Bank of England's monetary policy committee, released last week, about the link between rising pay and jobs.

"Looking ahead, some rise in unemployment is likely later in the year, and is probably necessary to contain pressure on wages and earnings," said the Bank.

In other words, the Bank thinks the jobs queue will have to grow if the Government is to hit its inflation target. What is the difference in economic terms between then and now? The short answer is seven years, a change of administration — and not a lot else.

Economic policy in Britain, as in most of the industrialised world, is governed by a concept known as the natural rate of unemployment. For many people such an idea — that a level of unemployment should not just be deemed as necessary but actually desirable — is an abomination. Unemployment is horrific, soul-destroying, a waste of scarce resources, a cause of a multitude of social ills, and the thought that governments should be using it to keep prices in check is offensive. A hundred and fifty years after Marx wrote the Communist Manifesto, policy seems to be dictated by one of his key ideas, that capitalism needs a reserve army of the unemployed to keep the workforce disciplined.

So what is this natural rate, does it have any scientific basis? To understand the genesis of the theory we have to go back to the 1930s and the work of A.W. Phillips of the London School of Economics who came up with a blindingly simple concept. Based on a study of what had happened to wage inflation and unemployment in Britain since 1861, Phillips showed that there was an inverse relation between the two: when wage inflation rose, unemployment fell and vice versa. The resulting trade-off was called the



James Callaghan: "At any moment it is possible that the price of unemployment will be too high for the government to pay." May 16, 1976



Margaret Thatcher: "Unemployment is below the natural rate... Below trend output growth will lead to some rise in unemployment and a fall in earnings growth." August 12, 1988



Tony Blair: "Unemployment is below the natural rate... Below trend output growth will lead to some rise in unemployment and a fall in earnings growth." August 12, 1998



Gordon Brown: "Unemployment is below the natural rate... Below trend output growth will lead to some rise in unemployment and a fall in earnings growth." August 12, 1998



John Major: "Unemployment is below the natural rate... Below trend output growth will lead to some rise in unemployment and a fall in earnings growth." August 12, 1998



William Pitt Rivers: "Unemployment is below the natural rate... Below trend output growth will lead to some rise in unemployment and a fall in earnings growth." August 12, 1998

point: if it was below the natural rate, inflation would simply carry on rising. Different economies would have different natural rates, caused by supply-side factors such as how flexible their labour and goods markets were. Friedman's ideas were dynamite, though they did not have their impact when he first outlined them in 1968, but later during the so-called stagflation decade of the 1970s, when both unemployment and inflation rose to levels unprecedented in the post-war era, and undermined faith in traditional Keynesian demand management.

The new era was symbolised by Jim Callaghan at the 1976 Labour party conference when he said: "We used to think that you could just spend your way out of a recession. I tell you in all candour, that option no longer exists." But it was the right rather than the left that latched on to the idea of the natural rate. By implication the concept required the state to withdraw from actively managing the economy; the only role for government was to make the market work more effectively. State-owned industries should be privatised, union power smashed, employment protection should be rolled back and monopolies broken up. Friedman's analysis was so influential that even Keynesian economists took up the idea of an equilibrium rate of unemployment, albeit with some changes. While the monetarists assumed that any unemployment above the natural rate was voluntary — because workers refused to accept jobs at the going rate — the Non-Accelerating Inflation Rate Unemployment (NAIRU) was based on a more realistic look at the economy.

The neo-Keynesians argued that labour and product markets did not work perfectly so action was possible to help people find jobs. However, the practical implication for policy-makers was that most of the remedies at their disposal were on the supply side. The West's leading think tank, the Organisation for Economic Cooperation and Development (OECD) believes that the NAIRU has risen sharply across the West over the past three decades, explaining why countries now have much higher levels of unemployment than those experienced in the 1950s and 1960s.

However, the OECD's analysis seems to be as much at odds with the world economy of the 1990s as Keynesianism was with the 1970s. A rising NAIRU over the last 30 years hardly squares with the evidence of diminished trade union power, high and persistent levels of unemployment, deregulation and privatisation.

Most other attempts to estimate the level of the NAIRU have proved to be equally controversial. Estimates seem to follow ups and downs of the actual rate of unemployment, rather than being fixed by the structure of the economy. At any moment, economists can't agree on where the NAIRU or natural rate is. The panel of seven wise men convened by former Chancellor, Kenneth Clarke, produced estimates in 1996 ranging from 3.5 to 8 per cent of the workforce. The OECD estimates the NAIRU in

Britain stands at 7 per cent of the labour force; that is just above two million people.

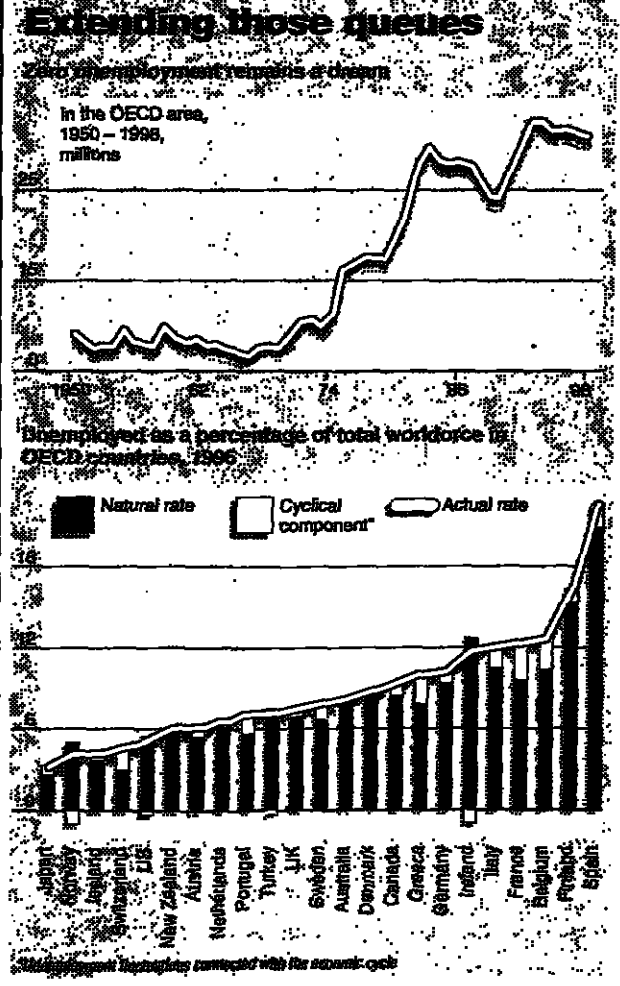
The Bank of England has refused to be drawn into putting an exact figure on the number of job losses required to keep inflation under control. "There is a great deal of uncertainty about the natural rate of unemployment, because it cannot be directly measured and it changes over time in response to structural changes in the labour market," says its latest inflation report. But the report then says unemployment has been above its natural rate since the first quarter of 1997, using accelerating wage pressures as evidence. Therefore, the Bank considers, some 400,000 will need to join the jobs queues before inflation will stabilise.

HERE is the crux of the problem. The Bank treats the economy as if it were a machine: that it is possible both to make an estimate of the natural rate and to use this analysis to achieve the Government's inflation target. But the economy is not a machine; it is more of a living organism and attempts to use an unquantifiable concept to hit a precise inflation target merely build in a bias towards deflation.

Tactically this has been recognised by the US Federal Reserve, which has responded to the same dilemma as the Bank of England's by applying a suck-it-and-see approach. Given that no two economists can agree on where the natural rate of unemployment might be, the Fed has adopted a bias towards growth and jobs rather than taking preventive action to prevent inflation from rising. Wage demands do not seem to be spiralling, even though unemployment at

4.5 per cent of the workforce is the lowest for a quarter of a century. Some economists are increasingly suggesting that Fed's approach is the right one. By pre-emptively tightening policy before unemployment reaches their estimate of the natural rate, policy makers turn the NAIRU into a self-fulfilling prophecy. All this means that voters should be deeply suspicious of policy-makers who use concepts such as the natural rate as if they were immutable scientific truths. It means that while supply side reforms can increase the capacity of the economy to grow, demand still matters. And it means that the next time the Prime Minister is quizzed on the economy, he should be asked whether he believes in the natural rate of unemployment. If he does, how much higher does he think the jobs queue needs to go. If he doesn't, why has he handed day-to-day control of the economy over to a body that does?

Sources: (1) The Guardian, May 17, 1991; (2) Bank of England Minutes of the Monetary Policy Committee, July 1998; (3) Phillips, A.W. (1958), The Relation Between Unemployment and the Rate of Change of Money Wages in the United Kingdom, 1861-1957, Economica, November; (4) Friedman, M., The Role of Monetary Policy, American Economic Review, April 1968; (5) Implementing the OECD Jobs Strategy, OECD, 1997. Graphics sources: Implementing the OECD Jobs Strategy, OECD, 1997; Economics, by David C. Colander, 1995. Graphics: Michael Agar. Graphics research: Jane Crimin; Matthew Keating. Larry Elliott is the Guardian's economics editor and Charlotte Denny is economics correspondent.



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Retailers desperate to shift stock lure bargain-hunters with discounts

Canny shoppers in control

Larry Elliott
Economics Editor

CONSUMERS hunting for bargains were wooed back into the shops last month by hefty discounts from retailers desperate to offload summer stocks, according to government figures released yesterday.

After the dismal sales volumes during June, partly because of bad weather and the World Cup, shops and stores reported an upturn in business in July because of huge price reductions.

Data from the Office for National Statistics showed that falling prices in the high street helped boost the volume of retail sales last month by 0.9 per cent after a 1.5 per cent reduction in June.

City analysts said that the trend in retail sales, stripped of the distortions caused by one-off factors in recent months, was heading downwards after six increases in interest rates since the general election and a fall in consumer confidence to its lowest level since the end of 1996.

Interpretation of the recent data has been difficult, with two increases and two decreases in volumes over recent months, but the annual growth rate has almost halved since the start of the year.

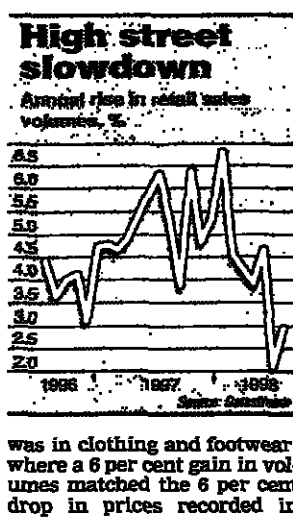
The ONS said that sales volumes in the three months to July were 1.1 per cent up on the previous quarter and 3.3 per cent higher than in May to July 1997. At the start

of this year, boosted by consumer windfalls from building society and insurance company flotations, annual retail sales growth was running at 6.7 per cent.

However, despite clear evidence of the more cautious approach being taken by consumers and the power they are exerting over retailers, analysts said that the Bank of England would want to see more evidence of a slowdown in spending before sanctioning a cut in interest rates.

Further evidence of a slackening in economic growth came yesterday from separate ONS figures for business investment, which was down by 5.5 per cent in the second quarter of this year.

In the high street, the biggest jump in sales last month



Tuesday's inflation figures. Reductions of 50 per cent were noted, particularly in chain stores selling women's clothes, where the fear of being left with unsold summer lines was most evident.

In the rest of the sector, where business had been less affected by the June weather, sales performance last month was much less vigorous.

A 1.1 per cent cut in the price of household goods prompted a 1.6 per cent increase in sales volumes in July, but food stores experienced a 1.5 per cent reduction in business.

Geoffrey Dicks, economist with Greenwich NatWest, said that higher volumes were bought by aggressive pricing in the summer sales.

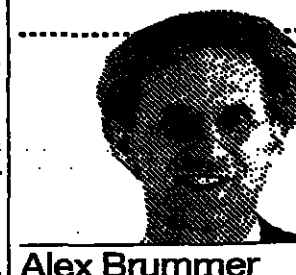
"Nowhere is this more apparent than in clothing and footwear, where a 6 per cent gain in volumes matched the 6 per cent drop in prices recorded in

the high street continues to slow. You have to go back to January 1995 to match the rise of 4.6 per cent in the latest three months compared with the same three months a year ago. So strong volumes in July were at the expense of price reductions: without those the consumer does not turn up."

Simon Briscoe, economist at Nikko, said: "Consumers responded to the weak prices with strong demand. This is not inflationary. Weak prices have prompted strong purchases. Canny consumers remain in control."

Notebook

Moscow makes compound error



Alex Brummer

THE ruble devaluation was a big enough mistake by the Russian authorities. However, it is becoming increasingly clear that Moscow's cack-handed attempt to treat foreign banks and corporations differently from domestic institutions in an attempt to ease its debt repayment problems — is an even bigger mistake.

There is no such thing as "never" in international banking. But Moscow delivered a psychological blow to international confidence with its moratorium. The normal process — as seen in countries like Korea — is for the banks and authorities to get together and develop a restructuring programme. It says volumes for how little Russia understands the conventions of global capital markets that it chose the unilateral route.

Not, however, that the global banks are blameless in what has happened. It had been clear for some time that any government which has to finance daily operations on the basis of short-term bonds, offering yields of 60 per cent or more, will eventually bankrupt itself. Yet some of the biggest financial institutions in the world happily brought the bonds, hedged against currency losses, took them on their balance sheets in swap operations and so on — in the apparent belief that it would be all right in the end when the IMF came galloping to the rescue. But it has not worked out like that. The IMF package of up to \$23 billion was contingent on political actions which have never been taken, so the economics of the ruble bazaar have continued unabated.

Now that the roundabout has stopped the cost is being counted. It is known that the German bankers will be losers, as Russia's biggest lenders. But they are not alone. Much of the speculation is currently focused on the position of Chase Manhattan, which is said to have been heavily into swaps, derivatives and other arrangements in rubles — although it does not necessarily mean it will be a big loser. The difficulties are likely to be spread right across the market.

Western investment banks have long seen Russia as a great under-exploited opportunity hence recent new investments like Warburg Dillon Read (now part of UBS) in Moscow through the Brunswick brokerage house and Credit Suisse First Boston. All have made it clear they will scramble to try and rescue the position before Monday.

In sheer cash terms it is easy to understand why Moscow acted: it hoped to save itself some \$17.1 billion year in interest payments on its term debts this year. It presumably takes the view that overseas bankers have to

come behind other creditors, as the Prime Minister Sergei Kiriyenko indicated in his first public comments.

That would be fine if Russian financial institutions and corporations were not busy shipping capital abroad as soon as they receive. Until the packages are plugged more effectively financial order cannot be fully restored.

Allied silence

SHAREHOLDERS in Allied Carpets have a good reason to be disgruntled. It is now more than a month since the company's shares, floated at 215p two years ago, were suspended from trading at 74.5p after the discovery of accounting discrepancies. These problems, the company assured everyone at the time, were due to Allied Carpets' conservative accounting policies — compared to their competitors'.

However, it is not accurate to have prudent accounting policies, which take profit on to the books only once the goods had been ordered, delivered, and fully paid for, unless they were adhered to. Taking sales into the accounts early, so as to inflate profits already suffering as a result of broader problems on the high street, clearly made a nonsense of the high standards the company had set itself — and distorted the market in Allied's shares.

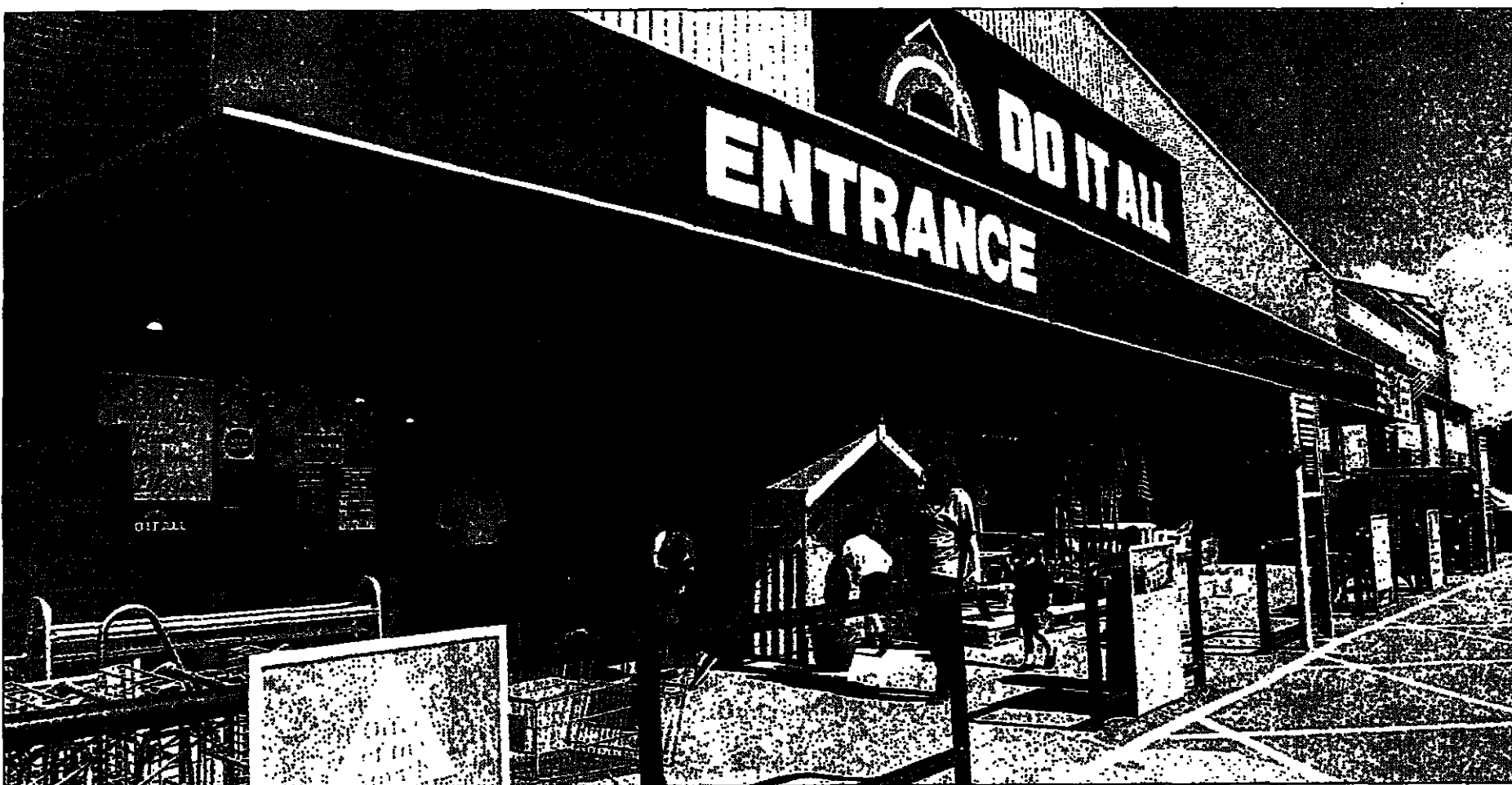
Now the first heads have rolled. Steve Barber, the director responsible for group retail operations, has been required to resign immediately. And the group finance director David Pout has fallen on his sword. It might have been helpful — having left investors in ignorance for so long — if the company had deigned to tell them exactly what happened. Instead, they have deepened the mystery by their long silence and failure to explain the resignations properly. If Allied Carpets wanted to restore confidence ahead of the restoration of the share quote next Wednesday, it should have come clean straight away.

Israeli venture

YOU have to admire Tony Blair's determination to turn Britain into a high-technology economy. In pursuit of this mission, a joint DTI/Treasury team will travel to Israel in the next two weeks to explore the possibility of establishing a \$15 million British-Israel fund to invest in promising research and development projects in the two countries.

The fund is likely to focus on areas where the two nations have special expertise — telecoms, biotechnology and materials research. Why Israel? Ask the US. A similar joint investment fund established by Jimmy Carter over two decades ago has turned into one of the most successful venture capital outfits in the world, generating public companies with a valuation on the Nasdaq market in the US worth \$9 billion.

It is a neat trick if it can be pulled off.



Priced for a quick sale... the DIY sector has proved disastrous for Boots — and Do It All's 4,500 staff do not know if they will keep their jobs

PHOTOGRAPH: GARRY WEASER

Boots sheds Do It All after £350m loss

Roger Cowe

BOOT'S yesterday sold the 138-strong Do It All chain for £88 million. The deal ends a disastrous foray that has cost the healthcare group almost £350 million since 1989.

The chain has been acquired by Focus, a venture-capitalist backed firm with 71 stores, mainly in northern England and Scotland.

The deal will promote Focus into fourth place in the DIY league, with a similar market share to Wickes but well behind market-leaders B&Q and Homebase. Its sales last year were £148 million, compared to Do It All's £237 million.

Chairman Bill Archer, who

founded Focus in 1985, said yesterday that he was aiming for 10 per cent of the market — double its current share.

Mr Archer has built the chain with Greg Stanley, founder of Fads stores and now a non-executive director. They own 40 per cent of the firm, with the remainder being held by Duke Street Capital. Focus said it was too early to say how the chains would be integrated and what the prospects were for Do It All's 4,500 staff.

The £88 million price is less than expected by some, who had suggested figures as high as £100 million. But Clive Vaughan of retail specialists Verdict Research said: "It is an extremely good price. Do It All has just made £3 million profit — which is the first

profit for years and its best year since about 1988. And the market is getting tougher."

Mr Vaughan said Focus had built up its network in a very tough market for DIY by being a low-cost operation and concentrating on promotional-driven, value-for-money sales. But now it faced "a pretty challenging time" in the transformation from a discount-led specialist into a national chain competing with B&Q and Homebase.

John Richards, an analyst at BT Alex Brown, said the outlook for DIY was worsening. "It is probably preferable to be exiting the market, not entering it," he said.

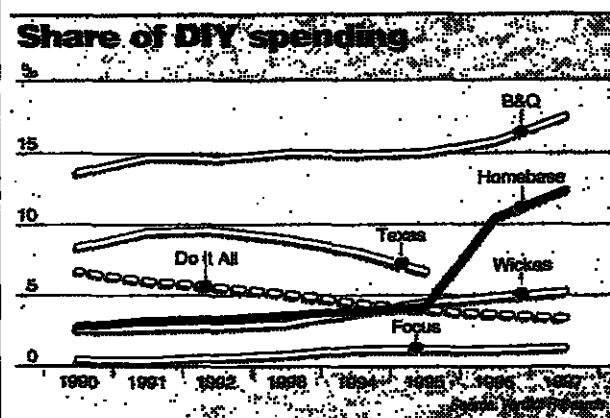
He said Focus had succeeded by concentrating on locations ignored by the bigger chains and by developing product areas such as pets and crafts.

Boots entered DIY through the £500 million acquisition of the Ward White group in 1989. Ward White owned the Payless chain, as well as Halfords and the Fads Homestyle high-

street shops, which Boots sold earlier this year. In 1990 Payless entered a venture with Do It All, then owned by WH Smith, to create a 234-strong chain. But the operation has never competed successfully with B&Q and Sainsbury's Homebase. WH Smith sold out of the venture two years ago and Boots has managed the process of closing non-viable stores to slim the chain to a profitable core.

Boots' share of Do It All's losses amounts to £20 million; it has also invested a total of almost £400 million, including the acquisition.

Liberty store chairman Philip Bowman said yesterday that 95 jobs would go in an effort to cut costs. Total sales have fallen by 3 per cent.



Allied Carpets pair quit board

Julie Treanor

TWO senior Allied Carpets directors left the company yesterday amid suggestions that they were casualties of the accounting errors which forced the company's shares to be suspended a month ago.

The company, which was only fully floated two years ago, now intends to ask the Stock Exchange to lift the trading suspension on its shares next Wednesday, when it will release its annual results.

Allied said David Pout, finance director, and Steve Barber, responsible for retail operations, had resigned from the board with immediate effect. Bruce Wright has joined the board as interim finance director after a six-month stint in a similar role at B&Q.

Julian Lee, Allied's chairman, refused to elaborate on their departures so close to the publication of the company's results. One retail analyst said the departures had heightened concern that the

EC legal threat to BA-AA alliance

Steve Busfield

THE European Commission intensified the turf war over British Airways' landing slots last night by threatening legal action against the Government.

The EU was reacting to the Office of Fair Trading's suggestion that BA could sell the 367 landing and take-off slots it must give up for its alliance with American Airlines to be given the go-ahead. The slots

are said to be worth as much as £1.5 million each.

Commission spokesman Costas Verros has insisted that the slots must be given away, and described legal action against the UK government as "a possibility".

John Bridgeman, director general of the OFT, last month advised Peter Mandelson, the Trade Secretary, that the airlines should be able to sell slots. Mandelson, who will make the final UK ruling, will not publicly state his

views until next month. John Prescott, the Deputy Prime Minister, has, however, suggested that BA should give up the slots.

The Department of Trade and Industry last night said: "The UK competition authority is the final arbiter on the issue of the [BA/AA] alliance."

The legal position remains unclear. No EU legislation exists to regulate transatlantic air alliances, leaving enforcement of the EU's decision up to British authorities. The commission's only legal weapon, a suit against the British Government at the Luxembourg-based court, could take at least two years.

The OFT announcement was the first high-profile pronouncement from Mandelson in his new post. He took action to confirm he could oversee the issue given his post as sole shareholder for the New Millennium Experience Company. BA is a Millennium Dome backer.

TV chiefs summonsed by football inquiry

Chris Barrie

THE Office of Fair Trading is poised to force television executives to give evidence to an official inquiry into the broadcasting of live Premiership football.

United News and Media is understood to have received official warning from the regulator that it is about to require Malcolm

Wall, deputy chief executive of broadcast and entertainment, to attend hearings by the restrictive practices court.

Also on the summons list is Malcolm Horwood, a senior executive at the Mirror Group's Live TV cable channel. Brian Barwick, controller of sport for ITV, may also be required to give evidence.

The OFT has the power to force executives to give evi-

dence to inquiries into suspected cartels, and is about to receive extra powers under competition legislation drawn up by the government to crack down on suspect business practices.

Under the direction of John Bridgeman, the director general of fair trading, the OFT has been investigating the deal struck between the Premier League and British Sky Broadcasting in 1996 which gave the

satellite broadcaster the exclusive right to televise live football in England in return for £670 million.

The inquiry, due to open on January 11 under the direction of a High Court judge, will decide whether the Premier League has been operating what is tantamount to a cartel in football television rights. All the men to be summonsed were involved in bids for the Premiership rights.

City scrutiny for lame banks

Dan Atkinson

FOREIGN banks and brokerages based in world financial hotspots, including Japan and the Far East, have been put under emergency surveillance by City regulators, it was disclosed yesterday.

Key to the plan is an attempt to ensure that capital help by London units of such banks is ring-fenced and not diverted to parent companies abroad.

The schedule of institutions at risk is part of an emergency action plan run jointly by the Bank of England, the Treasury and the Financial Services Authority (FSA) to shield the City from international meltdown.

The collapse of the ruble

and the subsequent economic crisis in Russia would have little effect on the City.

But the disintegration of the Far Eastern "miracle" economies during the past 12 months has put the Treasury, Bank and FSA on alert.

A standing committee meets monthly to monitor the stability of the City.

Mr Davies said the emergency plan included three steps:

- Britain seeks assurances from the authorities in a troubled bank's home country that they are standing behind the institution concerned;
- The London authorities attempt to ring-fence capital held by British subsidiaries;
- Restrictions are imposed on the activities of the most troubled banks.

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Austria 19.81	Greece 474.43	Malta 0.82	South Africa 6.82
Belgium 58.27	Hong Kong 12.17	Netherlands 3.1700	Spain 238.59
Canada 2.398	India 70.037	New Zealand 3.11	Sweden 12.80
Cyprus 0.2257	Ireland 1.1189	Norway 12.14	Switzerland 2.08
Denmark 10.81	Israel 5.98	Portugal 286.40	Turkey 429.850
Finland 6.87	Italy 2.800	Saudi Arabia 5.96	USA 1.5713
France 6.44			

Supplied by NatWest (excluding rupee, shilling and maltese)

Surrey get down to business, page 15

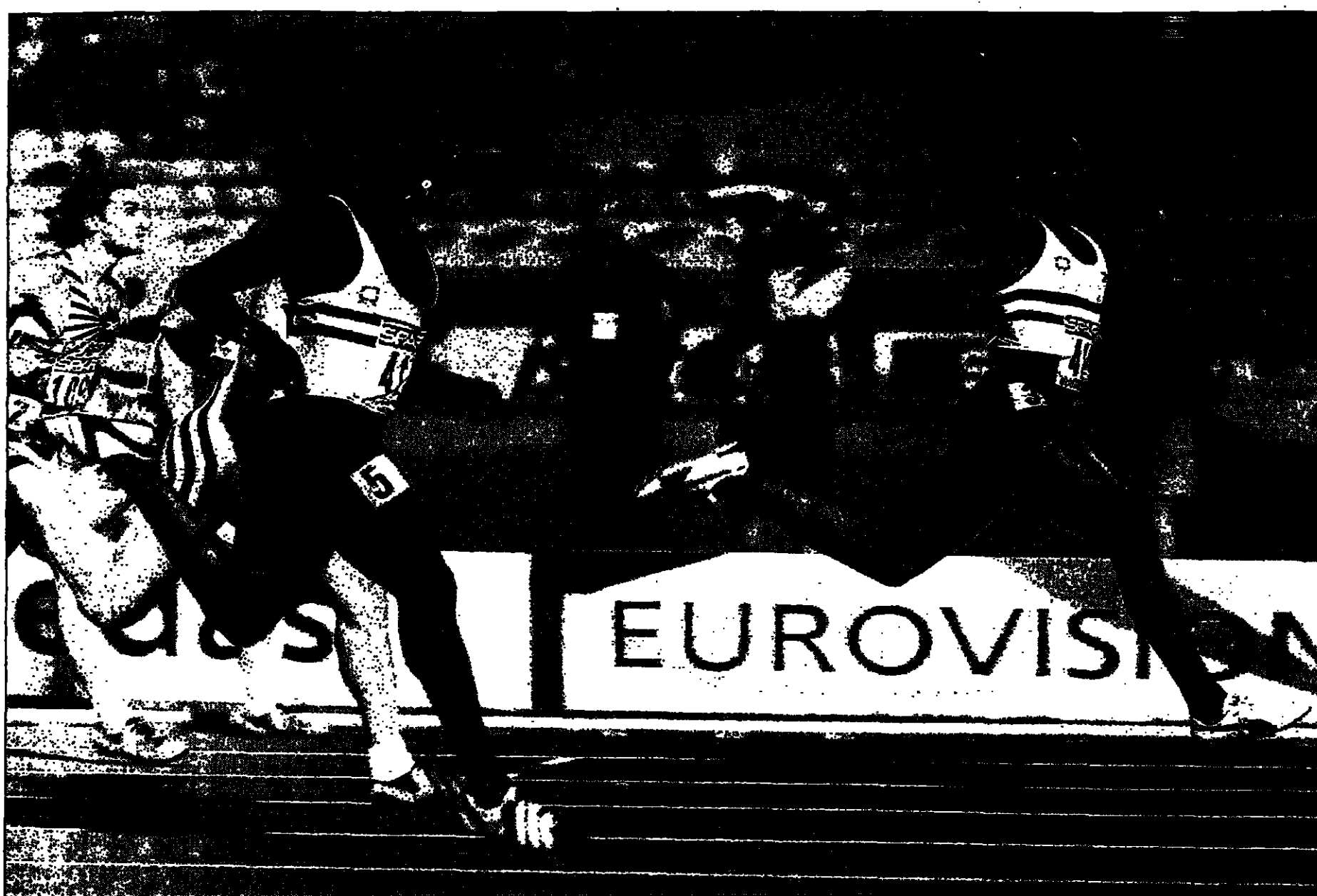
World turns back on Lindsay, page 13

Lancs the comeback kids, page 15

Hoddle hits out at El Tel, page 14

SportsGuardian

European Athletics Championships



Campbell's kingdom... the Briton punches the air in delight as he beats his compatriot Dwain Chambers in the Nep Stadium last night

PHOTOGRAPH: MICHAEL PROBST

Campbell leads gold rush

Duncan Mackay sees a British 100 metres one-two in Budapest

BITAIN'S gold rush started in spectacular fashion at the European championships when Darren Campbell and Dwain Chambers took first and second in the 100 metres at the Nep Stadium here last night. It was an especially sweet moment for Campbell because his time of 10.04sec took 0.04 off the championship record his coach Linford Christie had set in Helsinki four years ago.

Appropriately the former Olympic champion was on hand to witness the moment from the BBC TV studio here as Campbell followed the trail blazed by him on the last three occasions the championship has been held. Campbell had promised fireworks and his performance lit up the famous old stadium. First he set a personal best of 10.11 when winning his semi-final, then he exploded from his blocks in the final to leave Chambers and the Greek Georgios Panadoulas fighting for the silver. It was a battle that Britain won as Chambers clocked 10.10. Marion Devonish, the third Briton in the final, finished fifth in 10.24.

Campbell, 24, is now firmly back on track to establish himself among the world's fastest men. After finishing second over 100 and 200 metres to Trinidad's Ato Boldon at the 1992 World Junior Championships, he dropped out of the sport two years later to play centre-forward for non-League Weymouth.

But the offer of being coached by Christie tempted him back to the sport in 1996. He will not have to face any big bruising Beaser Homes League centre-backs again after this performance.

He took 0.04sec off the championship record of his coach Linford Christie

After he crossed the line his training partners Paul Gray and Jamie Baulch were the first to break through the security cordon to embrace him. But Campbell met the happiest man at the end of his slow joyous circuit, when Christie was there to greet him.

ping up into the senior ranks as he won in 10.15, his fastest since he set the world junior record of 10.06 last year. Together, Campbell and Chambers surely have the ability to help drive each other to the kind of heights Christie once scaled for Great Britain.

There was some memorable sprinting in the women's 100m, where Christine Arron streaked to a European record of 10.73, taking 0.04 off Irina Privalova's four-year-old mark. It made the 25-year-old Frenchwoman the third fastest woman in history behind the Americans Florence Griffith-Joyner and Marion Jones.

However, there was only heartbreak for Paula Radcliffe. She was carried off after finishing a disappointing fifth in the 10,000m. It was the same old story for the British team captain as she was left powerless to respond when, after doing all the hard work, she was outstripped on the final lap. The Bedford runner took the lead with five laps to go of the 25-lap race and was still ahead with 300 metres to go when the Olympic champion Fernanda Ribeiro and Sonia O'Sullivan passed her. O'Sullivan then moved into a different gear to fly past Ribeiro as Radcliffe's legs buckled. The Irishwoman, making her debut at the distance, took the tape in 31min 29.33sec, having taken nearly three seconds out of the Portuguese runner in the last 150m. It was O'Sullivan's second European title, having taken the 3,000m crown in Helsinki four years ago. Radcliffe, whose time was 31:36.51, still awaits her first medal on the track. Having finished fifth and fourth over the 5,000m in the 1996 Olympics and 1997 World Championships respectively, she had hoped her lack of a sprint finish would not prove such a problem over the longer distance.

Photo captioned, page 14

Distaste for old Johnny Foreigner grumbles on



Paul Weaver

THERE are still people out there who think that Germans wear funny steel hats with spikes on the top. All Frenchmen, they suspect, reek of garlic and Gaulloises and make rotten police inspectors, and the Dutch are a race of terminal tulip maniacs. Johnny Speight may be dead but Alf Garnett is alive and well. Alf feels particularly at home in the world of British sport where Johnny Foreigner signs, it seems, may not have integrated quite as well as we thought.

Sport seems to go along with Nancy Mitford, who once wrote: "Abroad is unutterably bloody and all foreigners are fiends." You may think that in football and in cricket the overseas manager or coach has made a considerable impact, and so he has. But he is still a long way from being accepted. At Middlesex CCC their bright new coach John Buchanan has run into some weary resistance from the older pros. This echoes the trouble Dean Jones and Les Stillman had at Derbyshire, whose miserable fortunes they transformed before some players ganged up on them and kicked them out. Chris Adams and Devon Malcolm were lost in the process and now some feel this feebly run club should instead have got rid of some older players, such as Kim Barnett.

Football is not doing any better, according to a little piece in *Total Sport*. The magazine interviewed three of the best-known home-grown managers, Harry Redknapp of West Ham, Joe Kinnear of Wimbledon and Dave Bassett of Nottingham Forest, and some of their views are, well, make your own mind up. Bassett says: "Foreign managers are in vogue but the demand for English managers will come back. Arsenal and Chelsea have done all right, but then I wouldn't really call Vielli or Gullit managers in the same way that me, Harry and Joe are. Vielli's not going to go up to Wycombe

to watch a game, is he? "Sam Hammam at Wimbledon wouldn't have a manager who spends the week in night-clubs living it up. He wants his manager working." Then there is Redknapp: "Vielli's been a great player but he's a figurehead. He ain't gonna be grafting that much. He ain't gonna be out there every afternoon or going to watch the reserve side. He wouldn't know half the players at Chelsea. If the truth be known, he probably doesn't know the kids at the club. Those sort of managers couldn't survive at Wimbledon. Anyone can buy world-class players like Zola." And here is Kinnear: "Gullit and Vielli were brought to Chelsea so they could pick up the phone and entice great players better than we could, but I don't agree with that. If the finances are there, big players will come. The people who are coming in are household names and they're smart enough to know not to come to teams that need a lot of work." There is no gratitude here for what the foreign player or coach has brought to the domestic game.

Only four clubs, Manchester United, Liverpool, Arsenal and Chelsea, are capable of winning this season's Premiership. They are all led, or jointly led, by managers who are not English. There are more candidates for relegation, and Forest and Wimbledon are two of them. Are Bassett, Kinnear and Redknapp bitter because they have not managed to land a big job? Perhaps their knowledge of European football is not good enough. Redknapp has done a fine job but almost took West Ham down after signing a series of duffers from the Continent. Would Zola want to play for managers like these?

AS for the cricket, Middlesex went out of their way to find the best in the business when they appointed the Dick Spring look-alike Buchanan, after the retirement of Don Bennett after 29 years. The painstaking, very thorough Buchanan, who led Queensland to two Sheffield Shields in three seasons after they had never won the trophy, was the choice of the thoughtful former Middlesex wicketkeeper Paul Downton, who had consulted the respected Australian David Gilbert, now working miracles at Sussex. These foreign fiends are everywhere.

Time runs out for British League

Paul Rees on Twickenham's firm stance against its clubs

PLANS for a British League this season were finally kicked into touch by Twickenham last night. The Rugby Football Union then urged England's top clubs to publish their fixture lists for a league season due to begin on September 5.

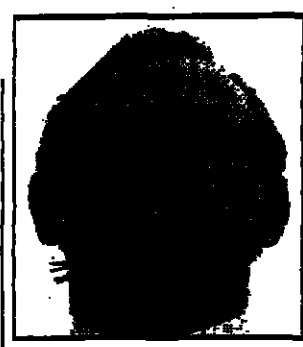
The RFU's management board had hastily convened a meeting at a request of the Allied Dunbar Premiership One clubs, who had failed to move the board's chairman Brian Balster during discussions yesterday about the immediate creation of a British League. The board unanimously agreed that the idea was impractical this season for "regulatory, logistical and contractual" reasons.

Balster warned the clubs not to arrange friendly matches with the Welsh rebel clubs Cardiff and Swansea. The three options open to the English sides are to conform; to arrange the extra fixtures they say they require by replying to join European competitions; or to break away, a threat which has not yet been uttered despite the brinkmanship of recent weeks.

"There was a strong level of support in the board meeting to discuss the possibility of a cross-border competition starting in the 1999-2000 season," said Balster. "That will form part of the agenda at our meeting next month. We discussed the matter of Cardiff and Swansea and we expect our clubs to abide by the spirit of the Mayfair Agreement. I want to see their league fixtures as a matter of urgency."

The Welsh Rugby Union, which was in close contact with Balster yesterday, will this morning tell Cardiff and Swansea to sign loyalty agreements for a year — which would allow them to take part in the Welsh Premier Division, which kicks off on Saturday week, and Europe this season — or take their leave of the game in Wales.

The two clubs have started to make conciliatory noises. The WRU has said it is prepared to grant them permission to play the English clubs in mid-week friendlies next season but not on league or European Saturdays.



Wheeler... confident

Leicester's chief executive Peter Wheeler had said earlier that the new season would start on September 5 come what may. Meanwhile Saracens have signed the Natal centre Jeremy Thompson and the former Harlequins and Australia lock Troy Coker. Australia have turned down a request by England to add a second Test to their tour next year. England are scheduled to play a one-off Test in Sydney on June 26 but wanted a second Test in Brisbane a week later. The South African Rugby Football Union will next month name its first black president. The lawyer Sibusiso Nkomo is the only nomination to fill the post left vacant by the resignation of the controversial former president Louis Luyt.

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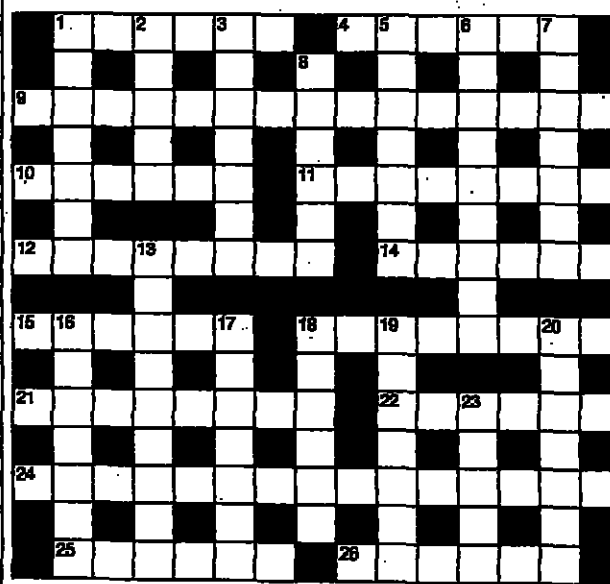


While so many of us grew up personally debunking the myth of the sex-phobic feminist in our own bedrooms, the media hung on to that canard the way the exorcist clutches to his garlic cloves and crucifix. Sex and feminism

G2 page 4

Guardian Crossword No 21,358

Set by Paul

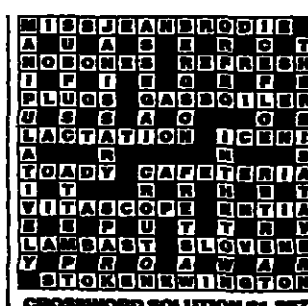


Across

- 1 A cause for maintaining pose (8)
- 4 See 22
- 9 Injury restricts veteran Italian team, about 50, once a power in the land (6,9)
- 10 See 14
- 11 Has a lengthy stretch and a cage for a prisoner (8)
- 12 Card with lion sent in the mail, perhaps? (8)
- 14, 15, 16 'Methusalem's Dead', possibly, by 24 (3,3,3,3,3)
- 15 Game score halved by evil return (8)
- 16 Establishment failed tragic Princess followed by tabloid charge (8)
- 21 Apples fresh colour with pen, and is Art Nouveau (8)
- 22 Aggregate in polluted

Down

- 1, 18 Down Changed, fresher attitude made it unnecessary for cleaner (7,6)
- 2 Mongrel is vexed (5)
- 3 Weirid gets the occasional delivery (7)
- 5 Sheepish male needs some fortification (7)
- 6 Women's party, no-one straight is in for a frightful night (9)
- 7 Newspaper seller keeps 100 in shoe (7)
- 8 See 14

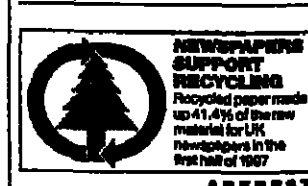


CROSSWORD SOLUTION 21,357

- 13 Cast-iron plane is without equal (8)
- 15, 26 Provides definition for those raised out of curiosity (7,6)
- 17 Moonlight etc, so up comes Beelzebub (7)
- 18 See 10 down
- 19 Agonise replacing Queen with diamonds (should be adequate) (7)
- 20 Omnipotent attire? (7)
- 23 Deduction of 101 to leave 50 standing (5)

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